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A JOURNAL OF BOOKS AND IDEAS

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Mark Blaug

METHODOLOGY WITH A SMALL *m*

THE RHETORIC OF ECONOMICS
by Donald N. McCloskey
Madison, Wis.: University of Wisconsin Press, 1985; 229 pp., $21.50

This is a witty and provocative book about the linguistic devices economists employ to persuade their readers to believe them. It is great fun to read and one finishes it wishing it could have been longer. All this is the more remarkable in that its central thesis is untenable: McCloskey advocates a point of view that he himself violates on every other page. He leaves us in no doubt of what he is against but fails to provide a coherent account of what he is for. Nevertheless, there is much to be learned from the spirit of the book even if one discards its letter.

Economists, argues McCloskey, pay obeisance to an outmoded philosophy of science, which he labels as "modernism," although it is usually labelled as "logical positivism." This matter of labels is not unimportant, for in no time at all he includes within modernism various propositions—that the assumptions of theories should never be examined for their degrees of realism; that interrogations of human subjects never yield useful experimental evidence—that have gained currency among economists but that have absolutely nothing to do with the philosophical movement known at first as "logical positivism," and subsequently, as "logical empiricism." "Modernism," McCloskey tells us, "gleams diamond-hard from many facets, and the word can only be fully defined in use. . . . It is the attitude that the only real knowledge is, in common parlance, 'scientific,' that is, knowledge tested by certain kinds of rigorous scepticism." Among the Ten Com-

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mandments of "modernism" are such notions as that only the observable predictions of a theory matter to its truth, that facts and values belong to different realms of discourse, so that positive propositions are always to be distinguished from normative ones; that any scientific explanation of an event brings the event under a covering or universal law; and that introspection, metaphysical beliefs, aesthetic considerations, and the like may well figure in the discovery of an hypothesis but are irrelevant to its justification. Such notions, McCloskey insists, are now discarded by many professional philosophers—he cites, among others, Willard Quine, Stephen Toulmin, Paul Feyerabend, and Richard Rorty. But economists have paid no attention to these reactions to "modernism" among philosophers and continue to believe that "'ultimately' the only 'fundamental' proof of an economic assertion is 'objective,' quantitative 'tests.'" It is this naive belief in empirical testing as the hallmark of Truth that is the real core of "modernism" and hence the Big Bad Wolf of McCloskey's book. "It is hard to disbelieve the dominance of modernism in economics," he adds, "*although an objective, quantitative test would of course make it, or any assertion, more believable and would be worth doing.*" I have italicized these words because they illustrate McCloskey's schizoid attitude to empirical evidence.

On the one hand, he deplores all hints of a prescriptive methodology in a subject like economics; that is, no one is to lay down metatheoretical standards of what is to be considered a good or bad argument. On the other hand, "an objective, quantitative test would make it, or any assertion, more believable *and* would be worth doing" (my italics). Really? Yes, it might make a proposition more believable simply if only because those unphilosophical economists tend to take quantitative tests seriously. But why would it be worth doing if it has no bearing on the validity of the assertion? And if it has at least some bearing, why are we not told what bearing it has? McCloskey ridicules the reader who believes that there are some propositions in economics that are either true or false, in which case it is difficult to see why empirical testing should ever be worth doing.

If *pre*scriptive methodology is out, what then is left of the methodology of economics? What is left is *de*scriptive methodology or what McCloskey prefers to call the study of "rhetoric" or "conversations." The word "rhetoric" has in recent years acquired a derogatory meaning but at one time (roughly up to the nineteenth century) it meant simply the ways of producing an effect on one's audience by the careful use of language; it is the art of speaking, the art of persuading people to believe what they ought to believe. McCloskey never gives a

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precise definition of the term "rhetoric," but the general idea of what he is after is, surely?, plain enough. Moreover, he provides a number of worked examples in the latter half of his book of rhetorical analysis, based on the writings of Paul Samuelson, Robert Solow, John Muth, and Robert Fogel. These chapters make instructive reading even if one does not share what McCloskey himself calls the "Anarchistic Theory of Knowledge in Economics."

McCloskey implies that one can effectively divorce methodology in a prescriptive sense from methodology in a descriptive sense; in other words, one can both lay down metatheoretical standards that economists ought to follow, irrespective of whether they have actually followed these standards in the past, and one can describe how economists actually reason and argue, irrespective of what metatheoretical standards the methodologist espouses. But this is simply an eleventh commandment of "modernism": such a rigid divorce between the two types of methodology is logically impossible. One cannot examine the language used by a scientist (or anyone else) without some selection device, some notion of what to look for, some criteria of "good" or "bad" language, some standards of what is to count as a telling example of, say, the belief in Truth, empirical testing, quantification, mathematical reason, or whatever. Thus, any positive attempt to describe scientific activity becomes willy-nilly a form of normative methodology. Contrariwise, it is *logically* possible to lay down any number of prescriptions for "good" science, but if these bear absolutely no relationship to what has passed as "good" science in the past 400 years, few scientists will pay much attention to these prescriptions. To put it in a nutshell: it appears to be impossible to separate the history of science from the methodology of science—to practice one is to practice the other. But where then do we begin? We seem to be unable to approach the history of economics without a preconceived methodology of economics, however primitive, and, similarly, we seem to be unable to consider the methodology of economics without a prior knowledge of the history of economics.

The only way out of this dilemma that I know of is that offered by the late Imre Lakatos, another modern philosopher of science.[1] He proposed to begin with a prescriptive methodology, the methodology of "scientific research programs," and to test this methodology by consciously studying the history of science with its aid, thus making it possible to falsify the initial methodology. There have been a number of attempts to apply this Lakatosian method to economics.[2] It is too early to pronounce on its outcome, but there is little doubt that one

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learns a great deal about economics from these studies. This, too, is a type of rhetorical analysis but it is carried out with the aid of a consciously adopted prescriptive methodology.

The penultimate chapter of McCloskey's book, "The Rhetoric of Significance Tests"—one of the best chapters in this book—attacks one of the worst characteristics of modern economics, namely, the confusion between significance tests and tests of substantive effects. This chapter bristles with advice on "good" statistical practice, all of which I personally applaud. But where does such advice come from except from metatheoretical standards, otherwise known as "methodology," that is, the logic of the methods employed by the practitioners of a subject? McCloskey is unalterably opposed to Methodology with a capital *M* but much in favor of methodology with a lower-case *m*, which seems to mean that you can prescribe many little things—don't shout; be open-minded; don't resort to violence in support of your ideas; face up to the facts, such as they are; don't fall for your own rhetoric; don't pronounce on large or small without giving standards of comparison; don't confuse statistical significance with substantive significance; replay Neyman-Pearson statistical techniques with Bayesian method; etc.—but you may not prescribe one or two big things, such as eschewing conclusions that are compatible with any and all factual evidence; always comparing one's conclusions with those of competing theories, if such exist; avoiding changes to one's theories that have no other aim but to account for an empirical anomaly; etc. Unfortunately, I fail to see a rational basis for the implied distinction between deplorable Methodology and salutory methodology.

One can imagine a rhetorical analysis of the writings of Milton Friedman on monetarism; Friedman uses some explicit and implicit literary devices that serve to account for his enormous persuasive power and, hence, his influence on modern economics. Having studied those devices, I will probably ask myself at some time whether it is actually true that control of the supply of money is the key to the control of inflation in modern, industrial economies. Silly boy, I can hear McCloskey saying, there is no such thing as truth in economics: "Economics, like geology or evolutionary biology or history itself, is a historical rather than a predictive science." But geology, evolutionary biology and history are retroactive sciences, that is, the validity of their propositions do depend *ex post facto* on empirical data (consider the importance of fossil evidence to the debates on Darwinian theory). Is the same true of economics? Does the validity of monetarism depend, if not on the accuracy of its future predictions, on the accuracy of its

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past retrodictions? Friedman did, after all, co-author a book on the *Monetary History of the United States, 1867–1960*.[3] Did he verify monetarism in terms of the historical data on the money supply? Is this an important question? Silly boy, you're doing Methodology again: off with your head!

The gist of this book was published in article form in the *Journal of Economic Literature*.[4] Bruce Caldwell and A. W. Coates, two well-known methodologists of economics, replied to the article.[5] They said everything about the article that I have tried to say about the book—except they said it better. McCloskey counter-replied but I am unable to understand his reply. It is worth reading as a masterful use of rhetoric (in the bad sense of the word).

NOTES

1. I. Lakatos, *The Methodology of Scientific Research Programmes* (Cambridge: Cambridge University Press, 1978).
2. M. Blaug, *The Methodology of Economics, or, How Economists Explain* (Cambridge: Cambridge University Press, 1980); R. C. Maddock, "Rational Expectations Macrotheory: A Lakatosian Case Study in Program Adjustment," *History of Political Economy*, vol. XVI, no. 2 (Summer 1984), pp. 291–309; D. W. Hands, "Second Thoughts on Lakatos", *ibid.*, vol. XVII, no. 1 (Spring 1985), pp. 1–17; E. R. Weintraub, *General Equilibrium Analysis. Studies in Appraisal* (Cambridge: Cambridge University Press, 1985); M. Blaug, *Economic History and the History of Economics* (Brighton, England: Wheatsheaf Books, 1986), pp. xviii–xix.
3. Milton Friedman and Anna Jacobson Schwartz, *A Monetary History of the United States, 1867–1960* (Princeton, N.J.: Princeton University Press, 1963).
4. D. N. McCloskey, "The Rhetoric of Economics", *Journal of Economic Literature*, vol. XXI, no. 2 (June 1983), pp. 481–517.
5. B. J. Caldwell, A. W. Coates, "The Rhetoric of Economists: A Comment on McCloskey", *ibid.*, vol. XXII, no. 2 (June 1984), pp. 575–78.

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Randall Kroszner

TECHNOLOGY AND THE CONTROL OF LABOR

FORCES OF PRODUCTION: A SOCIAL HISTORY OF MACHINE TOOL AUTOMATION

by David F. Noble

New York: Alfred A. Knopf, 1984; 416 pp., $22.95, $8.95 paper

Ideas have power, David Noble tells us in *Forces of Production*. This is a thesis far from the materialist determinism of many other historians on the left. In his earlier book *America By Design*, Noble persuasively argued that technological innovations do not occur in a vacuum. Rejecting the rather widespread view that technology arises exogenously, as a byproduct of dispassionate scientific inquiry, he demonstrated that economic, institutional, social and practical considerations guide research and have a significant effect on how scientific discoveries "trickle down" to affect our lives. In *Forces of Production*, Noble takes his exploration "a necessary step further" through an elaborate and extensively researched case study of the specific factors determining technological change in the American machine tool and metal-working industry.

Noble focuses on machine tools not only because they constitute "the guts of modern industry," but also because they provide a laboratory of the struggle between capital and labor, the battle between management and workers for control of the workplace. His narrative of the metal-working sector, covering the period from the Second World War until the early 1970s, vividly chronicles the roles of private entrepreneurs, military contractors, MIT scientists, and government agencies in developing and disseminating new technology in the industry. His interpretation of this history, however, is not compelling.

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In his attempt to demonstrate the evils of capitalism, Noble has instead presented a devastating critique of state involvement, particularly that of the military, in scientific research and technological innovation. Rather than "laying bare" the consequences of technological change being left to market forces, his study illustrates the powerful distortive impact that government can have on the adoption of technology. Recasting his Marxist interpretation into non-Marxist economic terms shows that Noble's analysis inadvertently undermines his own call for populist or social democratic control. It also illustrates the important role of an idea that had little to do with politics or economics directly: near-reverence for science and scientists, fostered by what might be called a "positivist attitude," in the pattern and influence of governmental support for research. If one is willing to hack through its thickets of left-wing jargon, *Forces of Production* rewards the persistent reader with a fascinating and instructive account of the often insidious effects of state involvement in technological research and development.

The starting-point of the "struggle for control" in the machine tool industry was the rise of union power during World War II. Widespread and increasingly violent strike activity throughout the 1940s alarmed what Noble refers to as "finance" and "monopoly." Two postwar developments supplied new weapons to management in its struggle against the growing strength of "living labor." First, the increasing division of labor occasioned by industrial development during the war made possible an effective "deskilling" of the labor force. The idea that the ever-finer division of labor associated with the progression of capitalism can render workers' tasks increasingly narrow and routinized is not original with Noble; it has been fashionable with the left since Harry Braverman's *Labor and Monopoly Capital*,[1] and is often traced back to the concern voiced by Adam Smith about the effect of the division of labor on the education of the working man. But whereas the "deskilling" argument worries that skilled workers will be replaced by mere button pushers, increasing employers' independence from a need for the skills of specific workers, Smith's argument has a different worry. Smith was concerned that workers would lose interest in matters outside their areas of work specialization. He also believed that they would come to possess such thorough knowledge of their tasks that they could not easily be replaced. Thus, one must be wary of the claims about the venerable intellectual heritage of this idea.

The second development working in management's favor was that innovations in mechanization and automation following the war "made it possible for management to eliminate workers altogether and to

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control more directly the production process." Noble argues that management was not driven merely by profit considerations to utilize these weapons; instead, he identifies "ideological faith in the inevitable efficiency of lower skill requirements, more concentrated management and replacement of workers by machines" as the primary motivating force.

Before turning to his case study of machine tools, Noble attempts to convince the reader of the overall validity of these general arguments. Beyond asserting that "job degradation . . . accelerated" following World War II, what little proof he provides here could cut in the opposite direction. Noble laments that between 1948 and 1960 the number of blue collar workers declined by a half–million and makes much of the fact that the number of white–collar workers has exceeded that of blue-collar workers since 1956. If deskilling really did happen, where did the blue-collar workers go? Unemployment did not rise over the period, nor were there shantytowns of displaced workers who simply disappeared from the welfare rolls. Automation did *not* reduce a greater part of the labor force to drudgery; rather, it occurred most readily in areas requiring the *least* skill, which were the easiest to mechanize. With routine jobs being taken over by machines, or at least requiring fewer workers to accomplish the task, many blue-collar workers were able to move into white–collar lines of employment. Workers who remained blue-collar witnessed a dramatic rise in their real incomes, as they have continued to do (though more erratically) since 1960.

The large increase in productivity since World War II, for which technological innovation is at least partially responsible, has contributed to the growth of wages. Providing laborers with more effective tools, standard economic reasoning says, bolsters workers' capacity to produce. Curiously, Noble does not deal directly with this elementary argument, dismissing it out of hand as "a new logic" or an "inverted wisdom" created by management to rationalize its "compulsion for control." Since the numbers are against him, Noble avoids referring to statistics or real wages or "standards of living." Instead, he appeals to authorities outside their fields of expertise to lend credibility to his assertions. For example, quotations from the brilliant MIT mathematician Norbert Wiener are the "evidence" presented for the pernicious effect of automation on the worker. Noble also presents lengthy excerpts from Kurt Vonnegut's *Player Piano* in order to "demonstrate" those effects.

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The Military and Industry

The history of alternative methods of automation following the war forms the core of Noble's book. He explains that there were basically two viable methods of mechanization of the metal-working industry available, numerical control and record-playback. The "locus of control" of production associated with each is quite different. The key question for Noble is, who does the programming? The numerical control approach produces machine parts by recreating a human machinist's work through formal mathematical description of the shapes to be cut and the movements of the cutting tool. A staff of engineers and computer programmers develops the complex set of instructions that are fed directly to the machine. The machine's movements are no longer guided by blue-collar machinists, but by holes in punchcards designed by white-collar programmers. In contrast, the record-playback approach does not completely eliminate reliance on the skilled craftsman. Here the machinist's motions are carefully registered by the machine so that it can repeat the process without further guidance from him. The machinist in effect cuts a stencil which the machine can trace over and over. Player pianos operate on the record-playback principle: the virtuoso's movements are recorded in a piano roll, embodying the special and often inarticulable skill and knowledge of the player. Noble makes much of this musical analogy to emphasize how record-playback, unlike numerical control, preserves the dignity of the worker.

The force of this distinction is doubtful, however, because record-playback *also* drastically reduces the requirement for skilled labor in producing precision-cut metal parts. A small elite of the most skilled "master" cutters produces the templates to guide the machines, but the vast majority of the machinists are rendered as unnecessary as with numerical control. Noble's sharp distinction between the two systems seems to be concerned more with preserving a romantic view of the worker—hands, callused and dirty, grease stains across his overalls, lovingly creating useful products through the sweat on his brow—than with describing a real difference in the blue-collar worker's status under the two technologies. This nostalgia for traditional modes of labor, a sort of psychological conservatism, is common in Marxist history, if rather odd for a radical movement. Noble's opinions here are reminiscent of those of Friedrich Engels. Engels contrasted working conditions in nineteenth-century England with supposedly bucolic pre-industrial farm life in *The Condition of the Working Class in England.*

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But his romantic vision of pastoral life neglected its harsh realities: high mortality and morbidity rates, long hours necessary to produce nothing more than subsistence, and living standards below Industrial Revolution levels.[2]

It should come as no surprise that the machine tool industry's rejection of record-playback and its embrace of numerical control are central to Noble's history. But contrary to his thesis, the most important figures in turning research towards numerical control technology were not managers, but scientists working on military projects. They turned whole agencies of government, and through them an entire industry, toward their personal intellectual and monetary interests.

The process by which businesses turn government intervention to their own advantage is so frequent that it has a name: "group capture" (because some coalition takes control of a public project for its private aggrandizement), or "rent-seeking" (because a group lobbies the government for special subsidies or "rents" under the guise of seeking a public benefit). The process of the capture and control of a regulatory agency by the businesses it is supposed to be regulating has been studied by a number of historians; Gabriel Kolko, for example, has documented the railroads' influence on the origin of the Interstate Commerce Commission and the business interest in so-called Progressive Era reforms.[3] What is new about Noble's investigation is that it illustrates how a *non*business interest group—scientists at MIT—achieved a similar result, gaining public funds for private purposes. In addition, it reveals how a deep public deference to science was shaped into an extremely effective tool for wresting money from the public coffers for research.

Noble himself is well aware of the significant role state intervention played in the development of numerical control technology: "Initially, two interwoven factors prompted the innovation: military requirements which reflected technological advances, and scientific and technical aspirations which were encouraged under military auspices." Serious research in numerical control was not begun by "management obsessed with control" but rather was spurred by military demands and dollars. The Department of Defense, which did not have the restraints on its spending that existed for businesses, was willing to pay extravagantly for parts cut far more precisely than civilian industry was using. In addition, the Air Force and Navy were deeply dismayed by the prospect of strikes and other union activity halting production of strategic parts, especially in wartime. Automation that would eliminate workers from the production process, which Noble calls a "weapon"

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of *management,* was in fact sought by the *military,* whose "paranoia about Russia abroad and labor at home," spurred it to finance the development of numerical control systems without regard to cost. The change in the locus of control of machine tools appears to have stemmed mainly from traditional military predilections rather than private management motives.

Although Noble's thesis that capitalist managers are driven by an overriding desire for control without regard for profits is not tenable, it should not be dismissed as nothing more than left-wing cant. In the specific circumstances he investigates, there is a kernel of truth in his proposition. Noble is led astray because he fails to make the quite significant distinction between laissez-faire capitalism (in which government intervention is minimal) and state capitalism (in which select groups receive special government privileges, subsidies, or protection from competition). Noble's tale tells of state involvement at every step of the way. Unfortunately, he neglects to analyze this factor as an independent force prompting otherwise uneconomic automation in machine tools. Instead, he simply attributes the motivation to "traditional management ideology."

The segment of industry on which Noble's book focuses is the one most heavily involved with the military. Its history provides neither a representative case from which to generalize about worker-management conflict under laissez faire nor a test of any thesis concerning the logic of the capitalist process. It does, however, unwittingly reveal the problems that state involvement in technological research and development engenders. Looking at Noble's Marxist interpretation of the machine-tool industry's history in light of the laissez-faire capitalism/state capitalism distinction and the phenomenon of "rent seeking" reveals how important the effects of state intervention were.

Military contractors are notoriously inefficient. The abuse of the "deep pockets" of the military by the coterie of major defense contractors is well documented.[4] The endless list of fabulous cost overruns and $1000 charges for 49¢ parts need not be repeated here. The monopolistic relationship the Department of Defense bestows on a small group of military suppliers insulates them from the pressures of the competitive marketplace and enables them to prosper without much concern about efficiency. Managers in the defense industry do not take advantage of the gains they reap from this special relationship solely by paying themselves inflated salaries, which arouse public ire if too conspicuous. They also pay themselves in subtler ways, such as by indulging their personal preferences for thick carpets, lush offices, at-

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tractive secretaries, etc. They are in a position analogous to administrators of public agencies, who have limitations on their salary but have a large budget to fritter away. It has been argued by some economists and political scientists that an important manner in which an administrator can take his share of the monopoly rents is to make his job as easy as possible, that is, to minimize one type of cost—conflict or hassle—which he can do without taking into full account the cost in terms of lost efficiency. An interpretation of Noble's thesis that brings out the "kernel of truth" in it would be that he has identified yet another illustration of such behavior among military contractors: a desire to minimize the hassle and headaches that unionized workers can cause may have predisposed defense managers towards numerical control. Thus, the behavior Noble (and many other historians and economists on the left) have described as the exercise of "class privilege" translates into what some economists and political scientists have called the "expense preference" behavior of bureaucrats and monopolists.

There is much more at work here, however, than management indulging a preference for numerical control tools over possibly cheaper record-playback tools. Direct government subsidization has been crucial to the development and dissemination of numerical control technology. As Noble explains, numerical control "was brought into being not by the market, but by the state, at public expense." In a chapter aptly titled "Development: A Free Lunch," we discover that no private firms would invest in research and development of numerical control. All early research on it was carried on at Air Force expense in MIT labs. Scientists at MIT, however, used the money earmarked for numerical control research to pursue a variety of projects not directly related to it. After almost a decade of this, the Air Force ended its contract with MIT and tried to attract private firms to continue the research. Unsuccessful, it purchased over $100 million of numerical control machines and gave them to air frame builders at government expense, since the private companies were not willing to take risks with the new technology themselves. Noble himself quotes a publication of the Numerical Control Society stating that the technology "was first used, and was used for many years mainly for military or aerospace products, where money seems not to be the limiting factor." According to *American Machinist*,[5] less than four percent of all metalworking machines in the United States were numerically controlled by the start of 1983. These machines required tremendous subsidies to be used in industry. No wonder the managements of the defense contractors were willing to adopt the technology—the price was right. It was

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also not very surprising that such subsidies of numerical control led to waning interest in developing the record-playback as an alternative. How could a rival technology compete with such lavish subsidies? Management ideology appears to have played a much smaller role than military dollars in the triumph of numerical control over record-playback. But this triumph has been a minor one, since such a small fraction of production involves numerical control equipment and where it does it is mainly for the military. Managers have had over thirty-five years to purge the worker from the workplace, yet have not done it. Apparently, outside of the subsidized realm, the drive for profits still outweighs the drive for "total control."

Science and the Military

Once one understands the special role of the U.S. government in the recent history of machine-tool research, a key theme that Noble does not pursue, it is easier to establish the roles of "science" and the scientists. Noble finds that the Navy and Air Force encouraged technicians at MIT and elsewhere, "at considerable expense, to indulge their fantasies for remote control and the complete elimination of 'human error' . . . financed and justified in the name of national security and scientific progress." This indulgence reveals how important the influence of a positivist attitude towards scientific activity was and helps explain the scientists' "capture" of public projects.

The thrust of positivism and most work on methodology and philosophy of science prior to the 1950s was to develop criteria to distinguish "science" (which was to occupy an epistemologically privileged position) from "nonscience." The demarcation criterion that asked whether it is possible to falsify a proposition through an empirical test was the best-known basis for such a categorization. Whatever could pass this test (which is not nearly as straightforward as it may appear at first) would earn the appellation "science" and all of the awe and respect that goes with it. The application of this principle, it was hoped, would allow us to distinguish mere matters of opinion from matters of fact.[6] More recent work in the philosophy of science has not only called into question the coherence of such a criterion (What constitutes falsification? Must we be able actually to carry out the test, or do we simply need to be able to carry it out "in principle"? Can we ever devise a truly "crucial" test that will decide the matter once and for all?) but also cast deep doubt upon the value and possibility of setting sci-

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ence sharply apart from all else. The work of Thomas Kuhn and many others on the sociology of knowledge and the scientific enterprise demonstrates that scientists do not adhere to narrowly defined methodological canons; scientific progress would be greatly impeded if they did. The philosopher Richard Rorty has pointed out that high standards of honesty and morality have often been mistaken for adherence to methodological dogma. He has concluded "it may be the case that *only* people who still care deeply about distinctions between art and science . . . are the bureaucrats who give out grants [and] the educational administrators."[7]

But why is this the case? The relation of positivism to government sponsorship of research may help to explain the continued popularity of positivism among practioners and granting agencies so long after it has lost credibility in the philosophy of science. In the political arena, it is particularly important that science appear to be above the fray and avoid matters of mere opinion that are vulnerable to manipulation by the political process. If there is a simple test as to what is science, questions concerning the propriety of government involvement can be readily dissolved. This attitude bestows a legitimacy upon scientific endeavor that paints opposition to funding for "basic research" as benighted. Only those who fear new knowledge or who were too unsophisticated to grasp the value of scientific inquiry could want to slow progress, for has not the quest for knowledge, for certainty, always been a sign of high civilization? It was this attitude that Dwight Eisenhower warned against in his farewell address when he said, "Yet, in holding scientific research and discovery in respect, we must also be alert to the equal and opposite danger that public policy could itself become the captive of a scientific technological elite."

Beliefs about science stemming from a positivist attitude fostered and reinforced the notion that only experts were capable of evaluating what was being done. The public was in no position to question the value of the expenditures and public officials without scientific training were also intimidated by this view of science and scientists. Who could then administer the funds and oversee the projects? Certainly, only the scientists themselves were capable of making such decisions. In this way those with specialized knowledge, the scientists in the MIT labs, came to control the allocation of research funds. They could then effectively insulate themselves from oversight by outsiders, since no one else but themselves could be in a position to question the users of the funds. It is precisely this combination of great respect

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for science and public funding of research that had led Eisenhower to be concerned about the potential power of a "scientific technological elite."

How did those who hold the purse-strings spend the money? Naturally, they concentrated on projects in which they had a particular interest. Every established researcher expends much effort examining a chosen set of problems and develops a very definite idea about what are the "good" and "bad" approaches to the problems. As government supervision of the funding was loose, it is not surprising that the funds were often used for self-aggrandizement, for the pet projects of those with access to the funds, rather than for perhaps more economical but competing approaches. With these incentives, it is plain that the technicians would favor the development of a technology that increased the demand for their abilities and their specialized knowledge.

Noble illustrates the details of this process with a detailed reconstruction of the activities at MIT. Using research in the MIT archives, which had never before been carefully studied, and interviews with living participants, Noble demonstrates how the MIT scientists were able to concentrate numerical control research in their labs, wresting control from its originator, John Parsons, who "came from the [machine] shop floor." They used much of the government grants to pursue their own interests in early computer research, making numerical control technology complicated so that it would require highly sophisticated programming and computing devices (which required more research money). Parsons' complaints about what he and his more practical-minded colleagues in his company believed was unnecessary complexity in the work at the MIT labs that led to his eventual exclusion from the project. When Parsons left, a group of the more entrepreneurial scientists took the specialized knowledge gathered from government-financed experiments to set up their own private companies to sell numerically controlled devices to the military and military contractors. Once again, we see the power of a "rent-seeking" analysis to illuminate Noble's tale.

Noble was recently declined tenure at MIT by the administration after receiving a unanimous vote of support from the academic review committee. No explanation of this unusual action to overrule the committee's recommendation was given. Noble is now suing MIT for violation of his "right to free speech," for he claims that the denial was retribution for his extremely critical portrayal of MIT faculty and staff in his book. While we might not agree that this is a First Amendment

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issue, the decision does seem to indicate that his exposition of the rent-seeking processes involved in scientific research may have hit a bit too close to home.

NOTES

1. Harry Braverman, *Labor and Monopoly Capital: The Degradation of Work in the Twentieth Century* (New York: Monthly Review Press, 1975).
2. See F. A. Hayek, ed., *Capitalism and the Historians* (Chicago: University of Chicago Press, 1954).
3. Gabriel Kolko, *Railroads and Regulation, 1817–1916* (New York: Greenwood Press, 1976 [repr. of 1965 ed.]); *The Triumph of Conservatism: A Reinterpretation of American History, 1900–1916* (New York: Free Press, 1977).
4. As in, for example, Seymour Melman's work *The Permanent War Economy* (New York: Simon & Schuster, 1976).
5. *American Machinist*, Nov. 1983.
6. Richard Rorty, "A Reply to Dreyfus and Taylor," *Review of Metaphysics*, Sept. 1980.
7. See *Forces of Production*, pp. 42–3.

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Gus diZerega

GREEN POLITICS AND POST-MODERN LIBERALISM

GREEN POLITICS: THE GLOBAL PROMISE, 2nd ed.
by Charlene Spretnak and Fritjof Capra
New York: E. P. Dutton, 1986; 224 pp., $12.95

SEEING GREEN: THE POLITICS OF ECOLOGY EXPLAINED
by Jonathan Porritt
Oxford: Basil Blackwell, 1985; 249 pp., $24.95, $6.95 paper

THE SPIRITUAL DIMENSION OF GREEN POLITICS
by Charlene Spretnak
Santa Fe, N.M.: Bear & Co., 1986; 95 pp., $4.95 paper

Liberal political thought in all its many forms is one of the fruits of Western modernity. Inasmuch as it incorporates basic modern presuppositions about reality, liberalism is not so much a specific ideology as it is a general strategy for making sense of the social world. F. A. Hayek distinguishes between "evolutionary" and "constructivist" liberalism, and I shall return to this distinction, but in all its forms liberalism is characterized by three basic assumptions. First, the material world is viewed instrumentally, as a collection of objects. Second, the individual is considered the fundamental unit of social life. Third, those aspects of reality open to human understanding are held to be most appropriately conceived in secular terms. Despite differences

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among liberal thinkers as varied in their views as Ludwig von Mises and Robert Dahl, these basic assumptions are common to them all.

Western civilization did not always view the social world in these terms. During the Middle Ages human beings were conceived as elements within a divine hierarchy. Their identity and loyalty was defined through their membership in corporate groups, especially the Church and the family. The physical world also was conceived as participating in and deriving its significance from its relationship to the divine, although usually less so than in times of pagan antiquity. Modernity constituted a radical overturning of the medieval worldview and, had this worldview not been overturned, it is difficult to imagine liberalism ever becoming a prominent, let alone the dominant, Western social philosophy.

Today there are indications that the world picture which triumphed in the seventeenth century may itself be in the process of being eclipsed, and that like the medieval worldview before it, may come in time to be considered one important but bounded period in Western culture. In the 1970s and first half of the 1980s an alternative understanding of the world has begun to take shape—not in reaction against modernity, as with contemporary fundamentalists, but rather through growing out of modernity, albeit in significantly different directions. Perhaps the most deeply rooted source of this "post-modern" or what I shall term "New Paradigm" thought is Western science itself. The growing awareness of our interdependent relationship with the rest of the planet and contemporary feminist thought also contribute to this development in complementary ways, which point beyond the present modern worldview. The clearest political expression of "New Paradigm" thought is in the European Green politics movement, and in similar if less unified movements in North America. But to understand the Greens one must first understand the premises of the worldview they propose to transcend.

From Hobbes and Locke to contemporary theorists, liberals have viewed the world in instrumental terms. To them the natural world consists of resources whose significance arises from their capacity to satisfy our needs and desires. The world is also understood mechanistically, a fact which strongly reinforces liberalism's instrumentalist approach. Descartes, the father of modern philosophical mechanism, gave one of its most extreme formulations when he wrote that animals are no more than animate machines, utterly devoid of consciousness. Philosophical mechanism was powerfully reinforced by the success of modern science. Locke's friend Isaac Newton founded modern physics

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on a model conceiving physical reality in terms of a great machine. The relationship between its various parts was mechanical and deterministic. This mechanistic model of physical reality, so extraordinarily fruitful in physics, strengthened what Hayek would call the "constructivist" bias in liberal thought at the expense of its evolutionist insights. The American Constitution, for example, illustrates in its language of checks, balances, and equilibrium a mechanistic and constructivistic approach to politics. Constructivism—the notion that social order must be deliberately planned—is thus far more in harmony with the presuppositions of Western modernity than an evolutionary approach, for it is reinforced by mechanistic conceptions of the physical world and of knowledge. I would suggest that here is the underlying reason that Hayekian evolutionary liberalism has been a minor voice in the liberal camp, a voice often confused with conservatism.[1]

Mechanism reinforces a second characteristic of liberal thought: its individualism. Liberal ethics and analysis are rooted in an individualist model of humankind. This is obvious in the case of classical liberalism and its contemporary descendant, libertarianism. Liberal rights are held to be ours by virtue of our nature as individual human beings. Our rights define those actions which we can take regardless of their impact upon others. Individuality is primary and relationship to others is secondary. We can see this distinction by briefly comparing Aristotle, who was not a liberal, with Locke. Aristotle defined citizenship, our status as political equals in the city (*polis*), as resting upon our capacity for rational speech, that is, of being capable of entering into persuasive relationships. Locke, by contrast, derives our right to citizenship from God-given self-ownership. As Benjamin Barber puts it so well, in liberal thought "citizenship is an artificial role that the natural man prudently adopts in order to safeguard his solitary humanity. . . . we are political in order to safeguard ourselves as men, but never men by virtue of being political."[2]

Utilitarian liberalism is more subtly individualistic: Its standards of happiness are standards of individual happiness, for happiness is ultimately enjoyed privately, by individuals. Even contemorary egalitarian liberalism is individualistic, for each individual is to be as equal as possible to all others. Whether we consider Nozick or Rawls or Dahl or James Madison, the primary derivation of liberal ethics is rational self-interest. Individualism in the social realm mirrors mechanism in the physical. Both are fundamentally atomistic conceptions.

Liberalism also conceives of the world in purely secular terms. Explanation need never involve recourse to a sacred or transpersonal

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ground of being. God may have made the world, but having made it, the Creator has ceased active intervention within it. The clockmaker is not one with his clock and we need not have made the clock to understand the mechanical laws governing its activity. In this sense secular thought is considered, in principle, able to comprehend all the principles underlying physical reality. Religion is a private affair, one not properly an object of political discussion or scientific analysis except in a reductionist manner.

As I have represented it here, liberalism is like a vast mansion with many rooms. Its very size and diversity make its outer limits invisible to many, especially within the United States, the most thoroughly liberal nation. To be sure, the inhabitants of some rooms within this mansion are not on speaking terms with those living in others. The issues separating liberals are important and worthy of discussion and debate. Nevertheless, these disputes are family quarrels, and no matter how acrimonious they become, they share the foundations of common values and assumptions.

Recent decades have seen a radical questioning of some key elements in these assumptions, and if these challenges are upheld, the liberal mansion, no matter how roomy, will be found to be much too small. A new paradigm will begin replacing modernity as our map of reality, and familiar landmarks will accordingly take on unfamiliar attributes.

Science and the New Paradigm

The deepest foundations of the New Paradigm lie in science itself. The unsettling implications of modern physics are beginning to penetrate our culture. Just as Cartesian and Newtonian models of the physical world ultimately transformed the social world of early modern Europe, so too do quantum mechanics and relativistic physics promise to transform ours. Perhaps beginning with Fritjof Capra's popular, if overstated, *Tao of Physics*,[3] an increasing number of books have appeared describing in nonmathematical terms the type of reality suggested by contemporary physics. It is a paradoxical reality indeed, one where physical matter is ultimately pure energy, where forces act instantaneously across space, where sub-atomic particles have "tendencies to exist," where apparently logical opposites are essential aspects of the same phenomena, and where boundaries between objects appear

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indistinct, or even illusory. The world of atomism has been replaced by one of process, event, and relationship. The universe indicated by contemporary physics may be more in harmony with the view of reality presented by Western and Eastern mysticism than with Western mechanism. Some, such as Capra, have gone so far as to suggest that contemporary physics demonstrates the ultimately spiritual nature of the world. Certainly the majority of great physicists of our time have been mystics of some sort as well as physicists: men such as Heisenberg, Schroedinger, Einstein, De Broglie, Jeans, Planck, Pauli, Eddington, and Bohm. At a minimum all would probably agree with Sir Arthur Eddington's remark that "the new conception of the physical universe puts me in a position to defend religion against a particular charge, viz. the charge of being incompatible with physical science."[4]

Physics, the queen of Western science, has proven a closet revolutionary with regard to the worldview it helped create. Human beings and the world as a whole may well be interconnected in more holistic ways than have heretofore been appreciated in our culture. Physics has proven a "respectable" ally for currents of non-dualist thought which are potentially subversive to individualistic models of human beings and to instrumentalist views of the world.

Increasing environmental awareness and the ecology movement provide a second element of New Paradigm thinking. While the ecology movement grew out of the conservation movement, in many ways it is very different from it. The principle behind conservation is to maintain the long-term productivity of natural resources in order to ensure their continued availability for meeting human needs and desires. Conservation in this sense is fully in harmony with Western modernity. The ecology movement challenges conservationist thinking on the grounds that it is overly "anthropocentric." Ecologists generally believe the natural world possesses intrinsic value of its own, regardless of human attitudes towards it. Whereas conservationists emphasize that human beings are at the top of the "food chain," ecologists substitute a network or web for the chain metaphor. They contend that we are one species among many in an ultimately cooperative spontaneous order that, in the end, is beneficial to all.

The ecological turn reinforces the physicists' model of an interconnected universe lacking clear boundaries. Different forms of life are fully comprehensible only through understanding the entire network of relationships within which they live. In Aldo Leopold's words, the ecological perspective conceives the land as "one organism. Its

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parts, like our own parts, compete with each other and cooperate with each other. The competitions are as much a part of the inner workings as the co-operations."[5]

It is instructive to contrast this understanding of the natural world with the dominant Darwinian conception of nature as red in tooth and claw. The traditional Darwinian sees life as a one-sided adaptation to a given environment. Life perpetually seeks to attain an equilibrium with its environment. Species and individuals thus are considered separately from and in fundamental opposition to a hostile and treacherous world. The atomistic, individualistic, and mechanistic assumptions of the modern worldview are deeply embedded within this model of life.

Fascinating scientific work is confirming the importance of the ecological perspective emphasizing two-sided interdependence. Most living species are composed of eukaryotic cells. All such cells possess organelles which are apparently necessary for the cells to be able to form cell tissues and give rise to multicellular organisms. What is interesting is that the organelles carry their own genetic material and simple capacities for protein production. They are also separated from the rest of the cell. Apparently the eukaryotic cell developed from a symbiotic fusion of different prokaryotic cells which have maintained a large degree of autonomy at their own level and created a new level possessing capacities radically different from those possessed by the "parts." Multicellular organisms are communities of communities, all of which possess a measure of autonomy at their own level.

Perhaps the most fascinating scientific work reflecting the ecological perspective is at the other extreme in size: James Lovelock's "Gaia hypothesis," presented in his book of the same title.[6] Lovelock's investigations began when he worked for NASA on the Martian lander, trying to devise experiments to determine whether or not life existed on Mars. He was struck by how different the Earth's atmosphere was from what would have been the case if life did not exist here. Pursuing his investigations further, Lovelock came upon instance after instance of long-term environmental stability which apparently could not be explained by non-living processes. The composition of sea water, the amount of oxygen in the atmosphere, the earth's temperature—these and more remained stable despite significant long-term changes in the physical environment. Lovelock concluded that the most reasonable hypothesis able to account for his observations was that the earth itself is a living organism.

What emerges here is an exciting vista: a web of symbiotic relation-

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ships extending at least from the organelles of our cells and possibly culminating in our planet as a whole existing as one vast interlocking cooperative network. No part of this network can be fully understood in isolation from the rest. Relationships have more reality than boundaries.

The ecological perspective promises to sensitize many to the importance of "self-organizing systems." Those who are conversant with the work of Hayek, Ludwig Lachmann, and the younger "Austrian" economists are aware of the crucial importance of this concept in understanding economics.[7] A self-organizing system arises out of the actions of constituents of whom none need be aware they are creating such an order, but of whom all need to follow rules capable of generating the overall order while each pursues his own purposes. This contrasts with an *organization,* in which those comprising it act conciously to achieve a specifiable goal for the group as a whole. A spontaneous order does not exist for any concretely specifiable goal. The importance of a spontaneous–order model for understanding social phenomena has also been explored in many other fields. It now appears as if social spontaneous orders are a small portion of a vast ecological spontaneous order linking all life together.

Feminism is the third major element in the New Paradigm. Whereas contemporary physics and ecology are deeply rooted in scientific research, feminism finds its roots elsewhere. It reflects a sensibility as to the proper relations among human beings which is at variance with dominant Western attitudes. Initially feminism could be understood simply as one element of liberal ideology. It focused upon the demand by many women for the same rights, status, and respect accorded men in contemporary society. Today a significant portion of the feminist movement can no longer be so understood. Rather, it sees itself as leveling a radical challenge to what it sees as society's dominant "patriarchal" values. Their demand is not so much for equal access to the game as it is for a different kind of game.

Western society's dominant values are held by radical feminists to be strongly biased against the feminine. Historically, modernity's foundation lies partly within an intensification of patriarchal values. For example, as late as the Renaissance nature was seen as a living force, inferior to God but nevertheless worthy herself of consideration and respect. The rise of modern science included an assault upon this view. Sir Francis Bacon, in advocating the experimental method, argued his case in unusually violent imagery of male domination. He wrote, "We

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must put nature to the rack," the better to attain his goal wherein "human knowledge and human power meet as one." Bacon explained that "I am come in very truth leading to you nature with all her children to bind her to your service and make her your slave." Such imagery is pervasive in Bacon. As Carolyn Merchant shows in *The Death of Nature*,[8] the patriarchal ideal of masculine superiority over and domination of the feminine became both a justification and glorification of the scientific method.

Bacon's terminology was the kinkiest, but it was not unique. Descartes wrote of the advantages in our becoming the "masters and possessors of nature." Hobbes, Kant, and other Enlightenment figures shared the same sentiment. Locke noted man's God-given authority to "subdue the earth," holding that "subduing or cultivating the earth and having dominion, we see, are joined together. The one gave title to the other." Here, too, the natural world is seen as an object to be dominated with no sense of reciprocity. What we find throughout the Enlightenment is not a pursuit of knowledge of nature per se, but rather of knowledge about how to control nature. This perspective is particularly hospitable to a mechanistic view of matter.

To be sure, today most of us rarely consider modern values of control, objectivity, impersonality, and separation in sexual terms, although often we conceive of the feminine as being in opposition to them. Patriarchal values have become so taken for granted that they are almost invisible. Liberalism reflects this situation. Liberal social thought abstracts these values from their historic sexual connection and universalizes them for all human beings. Women, as well as men, are now judged more or less equally capable of exemplifying the values of modernity. The result is that liberalism does not justify male domination over the female, and in fact has done much to combat it through the ideal of human equality. On the other hand, values in opposition to Western modernity have lost any secure or even visible resting place. Modernity offers equality not by respecting both types of values, but rather by encouraging all women and men to participate in a single, dominant patriarchal value system.

Recent scientific work by Diane McGuiness and Karl Pribram suggests that there may be innate cognitive differences between the sexes. Apparently men tend to be more analytical, women tend to be more integrative and empathetic.[9] To the extent this is so, we have firm grounds for saying that society is "patriarchal" insofar as it elevates analytical capacities over integrative and empathetic ones in social

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status. Modernity tends to do just this. The New Paradigm places much greater emphasis upon integrative conceptions of the world.

Feminists who question the adequacy of patriarchal values are therefore questioning the broader worldview behind such values, and therefore the presuppositions of liberal equality. While the sources of their discontent are not contemporary physics and ecology, the values feminists seek to realize are deeply harmonious with the picture of the world painted by physics and ecology. "Matriarchal" values in human relations are especially similar to the values of those seeking to live in an ecologically harmonious relationship with the earth: cooperation rather than control, reciprocity rather than objectivity, relationship rather than separation. Most (but hardly all) radical feminists do not argue so much for replacing one set of values with another as for creating a new balance between them wherein "matriarchal" values receive the greater emphasis.

Contemporary physics, ecology, and feminism are perhaps the three strongest forces coalescing to create a post-modern and post-liberal paradigm, but they are not alone. Current developments in cybernetics and information theory, Ilya Prigogine's theory of "dissipative structures" in chemistry, holistic medicine, Karl Pribram's brain research, and humanistic and transpersonal psychology all lend their weight to reinforcing the validity of a non-mechanistic model of the world. Such a world is neither completely comprehensible nor properly utilizable in purely instrumental terms.

The traditional conception that there is no relationship between the is and the ought derived much of its plausibility from the mechanistic worldview. A world of brute facts and "dead" matter is a world radically divorced from mind and its values. The breaking down of this theory of reality carries with it a necessary rethinking of these matters. It is perhaps not surprising that writers in all these fields are frequently addressing issues usually considered to be spiritual.

Any basic challenge to a mechanistic and individualistic ontology will likely have political and social implications different from liberal thought. Liberalism's individualistic presuppositions are challenged by a view which accords greater emphasis and validity to the relationships within which all human beings, and indeed all life, move and by which they are constituted. However, until comparatively recently there was no attempt to work out a practical social or political program on the basis of these New Paradigm presuppositions. Instead people tended to focus upon particular issues, or small groups of issues about which

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they cared especially deeply. Until recently this was still largely the case in the United States. But the situation began to change in the late 1970s in Europe, and especially in West Germany. The vehicle for this change is the Green Party, one of whose slogans, significantly, is "We are neither left nor right—we are in front."

The Greens

European Green parties are something new under the sun. It is far too early to predict their future. They may manage to persist as minority parties, enriching political debate and pressing larger parties to move in their direction as a result of the issues they raise. They may grow to become major political forces. They may ultimately find themselves coopted by major establishment political parties, as the Social Democrats are attempting to do with the German Greens. Whatever their fate, these small parties have done much better electorally than anyone had predicted when they were first formed. Inasmuch as they represent the first politically organized outgrowth of the New Paradigm, the specific issues and approaches the Greens embody are signs of political contests of the future.

Green Politics: the Global Promise by Charlene Spretnak and Fritjof Capra (recently issued in a new edition), *The Spiritual Dimension of Green Politics* by Charlene Spretnak, and *Seeing Green* by Jonathan Porritt provide excellent introductions for Americans to what Green politics is all about. Porritt is director of Friends of the Earth in Great Britain and a leading voice in the British Ecology Party. Spretnak is a driving force in the American Green movement and has written and lectured on peace, spirituality, and feminism. Capra has increasingly focused his energy on exploring the philosophical and social implications of contemporary physics, and in arguing for its compatability with mystical spiritual traditions. All the authors discuss the Greens' relevance to American conditions.

Spretnak and Capra seek to capture the diversity of influences and interests which comprise the German Green movement, while Porritt's book represents the unified perspective of a major figure in the British movement. In both cases the perspectives are similar, and grow out of the New Paradigm I have discussed above. Spretnak's *Spiritual Dimension* is included as an appendix in the German, Italian, Greek, Japanese, and Russian paperback editions of *Green Politics* but is published sepa-

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rately from the American edition. All three authors emphasize the important differences between the Green perspective and the traditional Western worldview. Taken together, the three books present a glimpse of how this New Paradigm might affect our civilization.

The second edition of *Green Politics* and Spretnak's *Spiritual Dimensions* also bring the reader up to date on the growth of the fledgling American Green movement. Especially interesting in this context is Spretnak's discussion in both volumes of how to adapt a movement originally oriented towards European multi-party parliamentary systems to the American two-party, winner-take-all congressional district system. She also describes the significantly positive electoral showings of local American Green parties.

The German party's "Federal Program" announces that "Our policies . . . are founded on four basic principles: ecology, social responsibility, grassroots democracy, and non-violence." The German party is in harmony with other Green parties in regard to these principles. In important respects these principles arise out of the New Paradigm alternative to liberal social thought. Porritt and many of the Greens discussed by Spretnak and Capra emphasize that they see these issues as interlinked. Concern with the environment leads to concern with those institutions most involved in environmental degradation, including the West's infatuation with technological fixes, especially big ones, and with increasingly destructive military power. The political programs of the Green parties are focused upon bringing large institutions, especially government and corporations, under more effective control.

The Greens' perspective is favorable to spontaneity and suspicious of planning. This is true both in their political practice and in their attitude towards social and political institutions. In terms of political practice, Manon Maren-Grisebach, a leading German Green, explained that "Green politics must expose tendencies to set up hierarchies. Some of us see social or ecological or economic issues as primary. Then arguments follow. I always try to intercede immediately and say 'Why don't you let yourselves be guided by the meaning of ecology, that everything is interwoven, that there is no such thing as a first or a second?'" What is significant here is the rare example of an ideological party accepting, and even endorsing, a diversity of perspectives and emphases within its ranks.

Whereas in an organization clear priorities can be set to attain a particular goal, the extraordinary complexity of relationships within

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self-organizing systems such as an ecology or a society preclude any effective attempt to bring the whole under conscious control. Porritt contrasts the organizational and spontaneous-order perspectives among environmentalists, distinguishing between "conservationists" who "tend to see coercion through the law as an essential part of the process" of restoring the environment and who "tend not to be green" with "the radical libertarian environmentalists, heirs to the very different tradition characterized by the anarchist ideals of Kropotkin, Thoreau, and Godwin." These environmentalists tend to be green.

Many Greens see nonviolence as a logical outgrowth of an ecological perspective. This is so for several reasons. Of course the ultimate environmental disaster possible in the immediate future is nuclear war. And conventional warfare is not so far behind in destructive capability as some might imagine, given the chemical and biological warfare capabilities of potential antagonists. But the roots of nonviolence within the Greens are deeper than simple rational self-interest.

"Architectonic violence," if I may coin a term, is an attempt to impose a preconceived ideal upon a self-organizing system. In the natural world, architectonic violence is epitomized by the Army Corps of Engineers' apparent hostility to any naturally flowing stream, the Forest Service's attempt to "manage" wilderness by suppressing all fires of whatever cause, and the creation of large-scale monoculture in agriculture. In the social world architectonic violence is typified by attempts at centralized economic planning by socialist states and centralized social planning by liberal ones. Urban renewal is a liberal example. In both socialist and liberal cases, complex, spontaneously-developed networks are replaced by the simple, and often simple-minded, constructions of bureaucratic rationality.

What characterizes architectonic violence is that the "architect" holds him- or herself aloof from the natural or social "resources" in need of "development." The natural world or human beings are objectified. This separation of "architect" from "material" is based upon the architect's domination rather than upon any harmony with the basic character of the world. It denies the fundamental tenets of reciprocal relationships.

The Greens' ecological perspective underlies their critique of all forms of domination over others which do violence to the human spirit. Here is the core of the Green critique of patriarchy, and of discrimination against ethnic and regional minorities; domination denies reciprocity and seeks always to limit its impact to that chosen by only one party. When we understand ourselves as living within a complex

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school, health-care facilities, community gardens and the local shops and pub gathered together in a great higgledy-piggledy planners' nightmare."

The Greens understand the general character of the problems a policy of grassroots decentralization must solve. Porritt notes:

> Greens rightly place a lot of emphasis on living in smaller, more independent communities which will require shifting a lot of today's economic and political activity downwards to a more local scale. The stress here is on the principle of *diversity*. But we should be aware that the growing interdependence of all people on this planet means that the next stage of social evolution will be a move towards some sort of cohesive planetary civilization—and here the emphasis is on the principle of *integration* . . . From a Green point of view, these two principles are mutually dependent; we are unlikely to achieve the one without the other.

In Hayekian terms, Porritt is speaking of the coordination problem: how will widespread decentralization in social and political initiatives result in an overall coherence to the whole greater than can be achieved through conscious planning?[10] The viability of Green solutions to contemporary problems rests in part on solving this problem.

The Greens are clear as to the political solutions they do not want. They reject both centralized socialist planning and contemporary liberal capitalism. But they admit to uncertainty regarding the specifics of their ideal program. Presently Greens advocate a vaguely populist program of maintaining existing social welfare programs, encouraging small-scale private businesses, and apparently promoting municipal rather than national ownership of certain services and businesses within the community. Spretnak comments: "While I would not go so far as other European Greens have done by saying it is 'incoherent,' I do believe a serious lack is the absence of attention to *models* of an ecologically restructured economy." The vagueness in all this is encapsulated within the fourth pillar of the German Green platform: social responsibility.

The chief practical task facing the Greens is developing a means by which their ecological perspective may be embodied in concrete social institutions. This has yet to be done. In the words of a German Green, "What we have not yet accomplished is to say how we show ourselves to be nonviolent at the moment when we participate in governmental functions, because the state is itself an institution of violence. . . . There are still no thought-out concepts of how one can reconcile the demands of social responsibility with the demands of nonviolence."

Presently much Green social and economic analysis is strongly in-

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fluenced by Marxist theory. Marixts form the largest and most cohesive single ideological element within the Green parties. Their relationship with non-Marxist Greens has been a complicated one, and it is reasonable to question whether Marxism is in harmony with New Paradigm principles. Here I agree with Capra, Spretnak, and Porritt: it is not. Sooner or later Green and Red alike will have to face up to the fundamental differences facing them.

Marxism is a child of Newtonian Europe. Along with liberalism, Marxism shares the presupposition that human beings are properly the rulers of the planet rather than just its co–inhabitants and glorifies the power and sufficiency of technological knowledge. In Marx's words, "For the socialist man the *entire so-called history of the world* is nothing but the begetting of man through human labor, nothing but the coming-to-be of nature for man."[11] In short, the value of everything is completely derived from its contribution to the construction of humanity.

Similarly, Marxism even more than liberalism is basically uncritical of industrial society, even if some of its manifestations are seen as undesirable over the short run. Marxists have higher hopes for human perfection through industrialization than do liberals, leading them to profer veritable hymns of praise in honor of the factory. "Only through developed industry—i.e., through the medium of private property—does the ontological essence of human passion come to be both in its totality and in its humanity;"[12] according to Marx.

To be sure, passages in Marx suggest a belief in humanity's ultimate reconciliation with nature. For example, the young Marx wrote that "the *human* esssnce of nature first exists only for *social* man, for only here does nature exist for him as a *bond* with *man*. Only here has what is his *natural* existence become his *human* existence, and nature become man for him. Thus *society* is the consummated oneness in substance of man and nature—the true resurrection of nature—the naturalism of man and the humanism of nature both brought to fulfillment." Such a reconciliation is possible, according to Marx, only in Communism, which, "as fully developed naturalism, equals humanism, and as fully developed humanism equals naturalism; it is the *genuine* resolution of the conflict between man and nature and between man and man. . . ." But nature from this perspective acquires its value solely as a means to human ends. In Marx's words, "The universality of man is in practice manifested precisely in the universality which makes nature his *inorganic* body—both inasmuch as nature is (1) his direct means of life, and (2) the material, the object, and the instrument of his life-activity."[13]

At its core Marxism perpetuates an extreme objectification of the

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natural world, whose value depends solely upon its usefulness for human beings. Freedom can only occur when humanity brings the provision of its material needs under conscious social control. True freedom arises only after humankind's complete triumph over natural necessity. Marxism is thus an ideology of *control*. This theme runs through all the classics of Marxism. For example, Engels writes that the "antagonism between the organization of production in the individual workshop and the anarchy of production in society generally" illustrates the "contradiction between socialized production and capitalistic appropriation."[14] Lenin, in his most decentralist and "democratic" work, *State and Revolution,* compared socialist society with the Czarist post office, wherein everything was organized and everyone knew his or her place. Marxism is the ideology of organization in the name of freedom. Freedom and reconciliation arise only through the complete subordination of the natural world to human purpose.

Interestingly, when human freedom is defined in terms of bringing all social phenomena under human control a curious paradox ensues. In C. S. Lewis's terms, if planning for humankind is possible, and if we are social products, there will be only one free generation—the generation that initiates the plan. That generation's freedom makes all future generations the product of human intent. The final triumph of human freedom over nature itself abolishes all future freedom.

Marx's analysis is in sharp conflict with the New Paradigm. Most fundamentally, it asserts that all which is not controlled by conscious choice is a threat to human liberation. We are limited and alienated by what we do not control. Marxism cannot appreciate human beings as the co-inhabitants of this world. It cannot appreciate the spontaneous forces of nature and of society as a part of nature.

New Paradigm Thought and the Market

Non-Marxist Greens have generally recognized the compatability of many market practices, small businesses in particular, in sustaining an ecologically healthy society. What is generally lacking, however, is an appreciation of why and how market systems may be made compatible with a New Paradigm understanding of the world. The role of money and the profit motive, of technology and corporations is often misunderstood because these aspects of the modern economy developed within a world largely blind to ecological relationships. The market has arisen within a basically liberal cultural and philosophical environ-

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ment, and thus has been analyzed and defended in terms reflecting a liberal understanding of the social world.

Liberal theorists "discovered" the market in the eighteenth century. From the beginning liberals studied the market from within the perspective of a classical Newtonian-Lockean model of the world. Within this world individuals exchanged property they valued less for property they valued more. The market ensured that each, in pursuing self-interest, not only improved his or her position, but also that of society as a whole. At the time there was far more truth than error in this liberal way of theorizing. But this salubrious disproportion of valid insight over misleading simplification rested upon circumstances which no longer exist. Let me explain by way of analogy.

Newtonian theory worked very well for 200 years. Ultimately its adequacy was increasingly undermined in two ranges of phenomena: the very large, such as Mercury's orbit, and the very small, such as the character of photons. Now quantum mechanics and relativistic physics have been found to be much more accurate theoretical systems for understanding physical phenomena. The model of physical reality suggested by these theories is very different from that suggested in the Newtonian model. Nevertheless, the more easily applied Newtonian principles are still used for most practical concerns in "middle range" applications, such as engineering roads and buildings.

The New Paradigm promises to draw similar limits, I think, to our understanding of the market and of economic relations between people. The liberal model of individuals owning property has ceased to be an adequate basis for understanding the contemporary market. This is so in part because the market's very success as a coordinating mechanism has begun to turn earlier purely theoretical shortcomings into increasingly severe practical problems. Two points are at issue here: the adequacy of the liberal conception of property, and the question of whether, and to what extent, the market itself selects the values to be coordinated, rather than serving as a neutral coordination process for individuals' values.

The market is not a neutral coordinating mechanism. The price of expanding the breadth of human relations able to be coordinated with one another is a corresponding abstracting and partial depersonalizing of many of these relations. We cannot know the full consequences of our actions within the market. The overall pattern of exchanges within the market is not the result of our conscious intent. This aspect of market orders has been well explored in the recent work of F. A. Hayek.[15]

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Since it is titles to property rights which are exchanged, the character of these rights determines the overall pattern of exchanges likely within society. If the legal structure reflects an atomistic conception of property, so as well will the resulting pattern of exchanges. Even though the market spontaneously knits people together in networks of extraordinarily complex relations, these exchanges' more subtle effects will not be taken into consideration within an atomistic legal framework. Problems of pollution, land degradation, and destruction of ecosystems are the result. Two examples illustrate the shortcomings of an atomistic conception of property rights.

If my barbecue pit creates smoke which is blown into your yard, I can be forced to put out my fire because the smoke it creates constitutes a trespass onto your property, creating a nuisance or worse. Suppose, however, that I paint my house in shocking day-glo colors, erect bizarre statues within my property lines but visible to passers-by, and park junked cars in my front yard. Many market advocates would defend my right to manage my property as I wish. But are photons any less a trespass than smoke? The more closely people live together, the more opportunities arise for trespasses of this type. Boundary lines are not clearly defined, nor can they be, unless at some point a dividing line is created on grounds other than the purely physical.

Another example: sometimes the collective impact of countless acts, each harmless in itself, can create great harm to others. Acid rain and ozone in the wrong places due to auto exhausts are two examples of critical significance right now. Possibly more worrisome over the long run is the build-up of carbon dioxide in our atmosphere. This could warm the earth, melt the polar ice caps, raise sea levels substantially, and create new areas of desert. The more industrialization and deforestation proceed, the greater the probability of this situation happening. (Or carbon dioxide build-up might help prevent a new ice age. There is no settled scientific opinion on the subject.)

Liberal political economy and the liberal conception of property rights, in a manner directly analogous to Newtonian physics, work remarkably well as a means for understanding and facilitating social exchanges and encouraging individual creativity and productivity within a certain range of social phenomena. But this theoretical and practical adequacy breaks down when this range is exceeded, because they rest upon an atomistic framework which at best only approximates the way in which human beings live together. The inadequacies of this approximation become increasingly obvious when people are crowded together or when the environmental impact of economic activity exceeds certain levels of intensity.

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An ecological model of society which places us within an interconnected network of relationships is superior to the liberal model of social life. In terms of economic analysis, such a model replaces the concept of "property" with the idea of a discrete "property right," which specifies a particular type or range of *relationship* into which I may enter with others. "Private property" is, in Harold Demsetz's terms, a "bundle" of separate property rights. Some rights can be sold, rented, exchanged, or given away without selling, renting, exchanging, or giving away others governing the "same" property.

For example, I have just sold certain wholesale rights to my artwork, but I still own the right to possess the art and sell the original, as well as certain other commercial rights. The question of who "owns" the art is misleading. No one owns the art. However, by possessing diverse property rights concerning the art, we are embedded within a network of relations with one another. This network determines the range of actions open to us, either individually or together.

Within this perspective a property right's justification rests upon the types of relationships it makes possible, and so I shall term rights of this type "relational" property rights in contrast to "atomistic" property rights. From both atomistic and relational perspectives, a property right defines a realm of freedom. A property right's owner may choose whether and how to use it. But the derivation of these rights are interestingly different.

Speaking broadly, atomistic rights are derived from some conception of personal autonomy or self-ownership. We are, each of us, islands of autonomy who, ideally, freely choose the advantageous relations into which we enter. Again ideally, relations between people are the outcome of freely taken actions by individuals who predate the relationships. The purest forms of such a conception are social contract theories and other attempts to deduce a just social order on the basis of rational self-interest.

At least two problems with the atomistic conception lead us towards a relational theory. First, it is impossible to imagine such an autonomous individual predating relationships with others. While we are by no means simply the product of our relationships, neither can we be considered separately from them. Second, a property right cannot be derived from autonomy because it already implies a theory of relationships. To grasp this latter point, let us examine that favorite atomistic example: Robinson Crusoe.

From an atomistic perspective, Robinson Crusoe was among the freest of men. He enjoyed complete autonomy and self-ownership. Neither hostile people nor a hostile environment threatened him.

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However, at first Crusoe was alone. Being alone, the idea of property rights was meaningless in his life. His rights could neither be respected nor violated. There were no relations into which he could enter.

A property right defines an aspect of freedom to do (or not do) something in relation to others. Owning such a right means having access to that freedom. Liberty's ultimate justification is rooted in what constitutes a proper relationship with another. This insight provides a different perspective on what constitutes coercion among people than is the case with atomistically conceived rights.

Within an atomistic framework, coercion is generally defined as the unauthorized crossing of boundaries, either of person or property. Either all photon invasions are thereby coercive, which defines coercion much too broadly, or, as is generally the case, an arbitrary boundary is drawn which is grossly physical, thereby excluding various types of more subtle physical coercion. In contrast, the relational framework rejects coercion because it is a bad way for two or more people to relate. Obviously this can get tricky, but at least it keeps in mind what is truly at stake in the issue of coercion's role in life. A relational perspective values freedom as a good way for human beings to live together rather than as a way of creating an inviolable reservation about each of us, a reservation supposedly protecting us from the invasive impact of others.

Why, for example, should we value freedom of speech? From an atomistic perspective I have the right to say whatever I wish, regardless of its impact upon others' sensibilities or whether or not they wish to listen. This justification of freedom of speech leads its advocates to question the appropriateness of libel laws. Taken to its extreme, it can lead to an equation of freedom of speech with self-expression, inasmuch as speech is seen as free because it is an expression of oneself. I have self-ownership, and as such have complete disposal over my resources to use as I see fit. From a relational perspective, howeve, freedom of speech involves at least two people, one who is speaking and one who is listening. Freedom of speech protects the *relationship* established between a willing speaker and a willing listener. Absent either, we do not have an instance of speech, although we might have an instance of self-expression. This distinction carries important implications.

Consider the desire by Nazis to conduct a public march in Skokie, Illinois. Under the atomistic model they should have the freedom to do so. (I am ignoring for the present who owns the ground they will march upon. If you wish, let it be the front yard of the only Nazi in

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Skokie.) The relational perspective recognizes a distinct absence of willing listeners, and also the presence of many observers who have little choice but to observe the march. (For purist individualists, we shall assume the offending front yard is along the main thoroughfare.) It is very likely that banning the march will not infringe upon anyone's relational freedom of speech.

Another example. A few years back Jeanne Kirkpatrick had a speech disrupted by hecklers at the University of California at Berkeley. The ensuing controversy focused upon whether Kirkpatrick's rights had been violated or whether the hecklers had a right to heckle. The latter argued that they did not physically prevent her from talking and that they themselves had a right to express their views of her words. These students were giving an atomistic interpretation of freedom of speech. So, for the most part, did those criticizing the hecklers.

A relational analysis would point out that the hecklers disrupted a relationship established between Kirkpatrick and those who went to hear her. They imposed their views upon an unwilling audience. In short, the hecklers had no right to disrupt Kirkpatrick's talk, and by doing so they violated the rights both of Kirkpatrick and of those who went to hear her. To violate the right to freedom of speech always violates the rights of at least two people.

Relationally based rights, unlike atomistic rights, never divorce right-holders from the communities in which they live—communities of fellow human beings and the wider ecological community of life as a whole. Justifying a right entails justifying the types of relationships its exercise makes possible.

Consider again the example of the day-glo house disrupting the neighborhood. A lack of justifiable spatial boundaries renders the individualist theory of property rights incapable of providing an unambiguous solution to the problem. We confront a problem lacking a definitive solution, but which nevertheless demands a resolution. Atomism's neat categories do not apply and in their place we encounter the more vaguely-defined concept of a community of affected people.

Whether or not a house can be painted in day-glo colors is determined, within a relational framework, by whether or not that type of non-conforming relationship is justified within a particular community of affected individuals. The ultimate standard for such a determination is the community's well-being. Someone must decide, and they must do so on the basis of certain information and fallible judgement. We have exchanged the atomistic ideal of a certain and firm code of law for the shifting ground and uncertain waters of politics—

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specifically, politics in the Aristotelian sense of a community of peers deciding upon the framework of rules, procedures, and values used to govern themselves as a whole. To the extent that living in a community is unavoidable—Aristotle exempted only "beasts" and "gods"—politics is a necessary and desirable element in human life because it is through it that we create much of the quality of our comon life.

Liberal theory is generally blind or hostile to politics of this sort. The only legitimate space liberalism provides for the political is defense against foreign and domestic aggression or, in its more egalitarian form, seeking to make every individual as much like every other as possible. Even in this egalitarian case a primary justification is defensive—the defense of the have-nots against the haves. Self-government as a necessary good in itself is largely absent from liberal theory, or at best is poorly integrated into it. For liberalism politics is ultimately a means for individual self-defense.

The Greens' concern with grassroots democracy is an integral outgrowth of their ecological understanding of human life. It is highly significant that they distinguish their sense of politics from that characteristic of coercive states. They realize that violence is not an appropriate relationship among peers. What they have not realized is how to institutionalize a nonviolent politics. Of course, in this dilemma the Greens stand in a quandary extending back at least as far as Aristotle.

Once we comprehend the relational rather than the atomistic basis of property rights, the market offers a possible answer to the Greens' dilemma, an answer not available to Marxism and other organizational ideologies. Contract, the basis of the market, is simple reciprocal agreement to cooperate among two or more people. Contract is the middle ground between forcing others to do something and free giving without expectation of reciprocity. If a society rooted in contract could be made responsive to community needs, we would be able to dispense with or radically reduce our reliance upon the coercive state, with all the distortions of decent life which such reliance requires. It seems to me that the market as an institution is receptive to such considerations.

Communities in which the citizens cooperatively own all municipal resources are one way to introduce such considerations, a way not antithetical to the market. Such communities would be democratic, and would exist at the "grassroots" level, but could also be contractual. Networks of such communities could perform most functions of the modern state. Through their participation within the market order such communities would be able to play a productive and beneficial role within the social ecology.

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network of relationships with beings like ourselves, the most appropriate relationship is one of cooperation.

Spretnak, along with Capra and many Greens, argue that there is ultimately a spiritual basis to an ecological ethic. She writes,

> A spiritual grounding would not only answer a deep hunger in the modern experience, it would also be harmonious with various Green tendrils that have already begun to sprout: the bioregional movement . . . the evolving philosophy of deep ecology; the emergence of community-based ecological populism; the Green-oriented activism in mainline religion; the work of cultural/holistic feminists; the spiritual dimension appearing in the discussions of global responsibility—and the worldwide network of Green parties and organizations.

It is possible that with modern science's relative hospitality to spiritual conceptions of the world, especially pantheistic ones, a new fusing of the sacred and the secular might take place.

Whatever its foundation, the ecological ethic is neither atomistically individualistic nor collectivistic. Its focus is not upon discrete rights held by individuals come what may. Nor does it dissolve individuals into some ethically superior whole, such as a social class. Its primary focus instead is upon the quality of relationships between individuals and an appreciation that their complexity exceeds our powers of ordering. Given these reciprocal relationships some critical questions which arise are: How aware are people of this reciprocity? How reciprocally do they choose to act? How well do our political and social institutions clarify or obscure these relationships?

"Grassroots democracy" is the third "pillar" of the German Greens' attempt to translate their ecological perspective into concrete political and social institutions and policies. Their Federal Program advocates "increased realization of decentralized direct democracy. We start from the belief that the decisions at the grassroots level must, in principle, be given priority. We grant far-reaching powers of autonomy and self-administration to decentralized manageable grassroots units."

Porritt shares the same perspective. In Great Britain, "for all their fine words about decentralization, central government, be it right or left, has increasingly overturned the powers of local democracy where it has suited it. . . . We are beginning to see a system of local *administration* taking shape rather than local *government*." Indeed, "the single greatest reform in the U.K. would be to change the planning laws, so that communities could again be built up around a cluster of diverse activities, with workshops, light industry, housing, the neighborhood

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Social Ecology

How might relational property rights be applied to our relations with the living community as a whole? They would seek, at a minimum, harmoniously to integrate the human spontaneous order into the larger order of which it is necessarily a part. For example, technological civilization is the only form of life which produces nonrecyclable toxic waste. A large portion of its outputs are lost to the ecosystem, or do damage to it. To bring human life into a balanced relation with life as a whole, there can be no right to create toxic waste or nonbiodegradable products. These destructive practices deny or undermine our relationships with the world as a whole. Implementing such a principle would require incorporating the cost of neutralizing toxins and recycling nonbiodegradeable products into the cost of production. The market would often take care of the rest.

Related to this principle are at least two others. Does the utilization of a renewable resource maintain the fertility required for its indefinite renewal? And, does putting resources to human use maintain a diverse fauna and flora? The first principle should be obvious, no matter how great a change it would entail in current farming, forestry, and fishing practices. The second is less obvious to those unused to thinking within an ecological framework. For the first time the circle of recycling by which life continually renews itself is becoming shorter, not by virtue of external catastrophe, such as apparently caused mass extinctions in the past, but through the actions of a single species, ourselves. We do not know the ultimate results of such actions, but we do know that it reverses all but the most catastrophic periods in earth's history, and that mass extinctions threaten serious damage throughout the web of life. James Lovelock and Sidney Epton remind us that "One of the laws of system control is that if a system is to maintain stability it must possess an adequate variety of response, that is, have at least as many ways of countering outside disturbances as there are outside disturbances to act on it. What is to be feared is that Man-the-farmer and Man-the-engineer are reducing the total variety of response open to Gaia."[16] A *prima facie* case exists against any action which diminishes the variety of life on earth as a whole.

Hayek's point about preserving the market is equally true for maintaining the infinitely more complicated spontaneous order of life on earth: acting in ways which go against the principles maintaining that order in the pursuit of short-run expediency ultimately threatens the viability of the order itself.

The rules for acting within the market can be brought into har-

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mony with ecological principles. Failure to do this has resulted in most, maybe all, market-generated assaults upon the environment.

The market, like language, science, common law, and, I would argue, democracy itself, is a part of the social ecology within which people act by their own lights and, in so doing,.contribute to an overarching complex social pattern which none of us can wholly understand but which enriches us all. Attempts to impose preconceived patterns upon this social ecology will have the same destructive results as analogous attempts to control the natural environment. In both cases what is most in keeping with the principles of ecological order is seeking to *cultivate* the likelihood of desirable, but in their particulars unforseen outcomes, by using principles in harmony with the underlying coordination process itself. Once property rights are defined in harmony with the environment as a whole, people can take advantage of opportunities open to them without our having to worry about their ecological impact.

As with the liberal conception of society, this New Paradigm model is a roomy one. I doubt whether we can deduce an explicit set of rules for ordering society through it. Quite the contrary. Precisely because rights are relationally based, they will continue to be a matter of community concern. Nevertheless, because a spontaneous order is the only technologically advanced social order potentially harmonious with the environment, and because voluntary relations are the most appropriate for a community of peers, the institutions of contract and market will of necessity be central to any society in keeping with New Paradigm principles.

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David T. Beito

SUBURBAN STATEWAYS

CRABGRASS FRONTIER: THE SUBURBANIZATION OF THE UNITED STATES

by Kenneth T. Jackson

New York: Oxford University Press, 1985; 396 pp., $21.95

Convinced defenders of state intervention have long set the parameters of debate in the study of urban history. The spectrum of ideology has run a rather narrow range from social democratic advocates of planning, such as Lewis Mumford and Sam Bass Warner, to Marxists such as Michael H. Frisch.

Although not primarily a work of history, Jane Jacobs's *Death and Life of Great American Cities* upset long-cherished conventional wisdoms of urban historians. Jacobs launched a frontal attack on the pretensions of urban planners and implicitly called into question the worth of planning *per se*. She charged that urban planners, through zoning, urban renewal, eminent domain, and other tools of their trade, had drained the life out of downtown areas and neighborhoods. Jacobs scored her most telling points when she dissected the planners' penchant for lining the slums with "greenbelts." The concept of the greenbelt arose out of the deep seated anti-urban bias of reformers who wanted to bring the country to the city. As Jacobs pointed out, the legacy of the greenbelt movement can be observed by any traveler to the inner city. By the 1960s, when Jacobs wrote, greenbelts were already notorious as lifeless weed- and crime-ridden expanses deserted by local residents who, much to the consternation of reformers, still

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preferred to patronize the comparative vitality and safety of crowded streets.

Unfortunately, urban historians never took up the cudgel from Jacobs. They could not stomach, much less emulate, her all-out attack on the reform mentality. Kenneth Jackson's *Crabgrass Frontier: The Suburbanization of the United States* may portend the onset of change. Although Jackson cites Jacobs, he does not seem to have been strongly influenced by her work. Even so, his book serves as a useful companion piece to her classic study. Actually, *Crabgrass Frontier* is not urban history in the strict sense of the term. This is pioneering work in the new (and highly promising) field of suburban history.

Since Jackson regards the suburban/metropolitan relationship as crucial to his story, *Crabgrass Frontier* is also a good introduction to vital questions in urban history. While his focus diverges from that of Jacobs, Jackson arrives at many of the same conclusions. He adds the necessary corollary to her tale of how urban planners undermined once-vital cities. From, and perhaps dependent on, the vitiation of city life, sprang suburbia: an area dominated by owner-occupied detached housing, the automobile, and the white middle class.

Jackson avoids monocasual explanations. He does not regard suburbanization along the American model as an inevitable, much less a "natural," result of the marketplace. Jackson differs with historians such as Sam Bass Warner,[1] who focus on transportation developments as the motive force behind suburbanization. Warner claimed the growth of the early suburbs was tied to the aggressive efforts of streetcar companies, which stimulated outward population movement by laying track in the underdeveloped urban periphery. Many other historians, of course, have singled out the automobile as the great spur to suburbanization.

Aside from the "frontier" countries of Canada and Australia, Jackson argues that no country approximates the American experience of suburban development. In contrast to the tendency in the United States, the well-off and middle-class elements of Europe and Latin America generally prefer to live as close to downtown as possible. It is the suburbs in those countries that are often dumping grounds for the poor. This pattern also applied to early American history. Ironically, the early suburban pioneers included blacks fleeing the inner city to escape from white racists. In the twentieth century, the tables have been turned as whites moved to the suburbs to escape from racial diversity.

Jackson finds the hand of government behind the creation of Amer-

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ica's suburbs. Other historians and commentators have long recognized that specific government policies have subsidized the suburban form. Not before *Crabgrass Frontier,* however, have the history and ramifications of government intervention been pored over so systematically or insightfully.

Jackson ties government policy to a long history of anti-urban sentiment. American intellectuals, as a class, have been exceptional compared to most European intellectuals in glorifying rural life and villifying the "corruption" of the city. With the decline of agriculture, the single detached owner-occupied house in the suburb became the new manifestation of the rural ideal. The suburban homeowner is modern America's answer to the Jeffersonian yeoman farmer.

The most valuable aspect of *Crabgrass Frontier* lies not in the questions it answers but in the further opportunities for research it presents. Jackson examines the critical but neglected relationship between the state's provision of "public goods" and the process of suburbanization. Unlike most other urban historians, he clearly understands that mass transit in the late nineteenth century was scarcely a free market undertaking. Streetcar companies frequently grew out of monopoly franchises. These companies proved adept at persuading local politicians to use eminent domain to seize rights-of-way from recalcitrant property owners. As a means to ensure expanded future ridership, streetcar company owners supported government efforts to install utilities and build roads in the undeveloped urban outskirts. The scope of intervention increased by several fold when the automobile appeared on the scene.

Jackson thoughtfully underlines the critical role played by tax subsidies in assuring the transportation dominance of the automobile. In many parts of the country, the automobile became the sole transportation option. The crucial shift occurred when general taxation became the primary source of road financing. Until the twentieth century, Americans had generally adhered to the policy that the cost of road building and repairs should be paid for by the individuals directly affected and not by the mass of taxpayers as a whole. Invariably, these costs were met by special assessments paid for exclusively by people living along the roads. In most localities, special assessments could not be levied without the consent of three–quarters of the taxpayers directly concerned. The substitution of general tax financing for special assessments proved an incredible boon to suburban developers, who could shift much of their investment expenses on to the general taxpayers.

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These road subsidies, Jackson maintains, were a necessary but by no means sufficient condition for the demise of streetcar transportation. Had it not been for other obstacles, the streetcar might yet have survived. Here, Jackson's political ideology leads him into an overly restricted analysis. He posits two government policies that might have kept the streetcars running. First, municipal governments could have allowed operators to raise their fares. Streetcar companies were hobbled by franchise agreements that prevented fares from rising above five cents. As costs rose and ridership fell, the nickel fare limit created a severe economic squeeze. Eventually, politicians acceded to fare increases, but they came too little and too late.

Jackson apparently would have preferred the second of his two options, public subsidy. Jackson's support for public subsidy is hard to reconcile with his otherwise unrelenting indictment of government's role in urban life. Indeed, his discussion of public subsidies is remarkably glib and uncritical. It also reflects a misreading of historical experience. Jackson blames the streetcar's failure on local politicians who treated it as a private good not deserving of government support. At the same time, he says, government officials designated the automobile as a public good and spent large sums to make automobile travel convenient. While this analysis contains a grain of truth, Jackson overstates his case. He gives short shrift to the quintessential public subsidy for the streetcar, the franchise. Franchises actually grew more exclusive after the turn of the century. Nevertheless, expanded monopoly protection did not prevent the rapid decline of the streetcar, and may well have hastened it. Jackson completely fails to consider a third option that might have saved streetcars: deregulation of the transportation industry. He never asks, for example, whether the streetcars if shorn of their monopoly protection would have better adapted to changing consumer preferences.

The same tunnel vision reappears when Jackson discusses road subsidies. He condemns gargantuan public road building programs but does a bad job of considering what alternatives were practicable. Except for more public subsidy to the streetcars, he offers no suggestions. Without a second thought, Jackson defends the government's exercise of vague "general use" justifications to condemn property to build thoroughfares. Jackson argues that if governments throughout history had not possessed the power to condemn land, "the urbanized area would have been a solid mass of buildings and private property and would have suffocated from a lack of movement."

Although Jackson marshalls no evidence to back up this statement,

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he treats it as self–evident. The experience of the nineteenth century indicates otherwise. Private streets, mostly built without resort to eminent domain, were quite common. Despite Jackson's assertion, businessmen who depended on these streets did not die a quick death from traffic suffocation.

Jackson mines a rich area for further research in his exposition of "urban imperialism." Basically, urban imperialism describes the common predilection of large cities to annex neighboring territory. In the nineteenth century, cities did not have to bother with getting approval from voters in the territory to be annexed. Annexation was largely a matter of force. Local governments were (and still are) considered creatures of the state government. Thus, state legislatures usually had the sole power to approve annexations. The annexation movement faltered during the twentieth century only because suburban governments grew politically powerful enough to resist the expansionist designs of their metropolitan neighbors.

Jackson singles out downtown business elites as the instigators of annexation schemes. As evidence, he cites a study by the urban historian John Teaford, who found that supporters of annexation usually came from the ranks of urban upper–crust businessmen. Suburban homeowners, on the other hand, formed the core of anti-annexationist movements. Up to this point, Jackson is on solid ground. His explanation for why urban businessmen supported annexation is a different matter, however. He asserts, rather nebulously, that the businessmen saw annexation as a way to "regularize the economy." Perhaps Jackson means to argue something analogous to the theory of transaction costs (the costs of doing business). The economic historian Douglas North, the chief proponent of this view, regards early economic development in the United States as contingent on the interventionist policies of a consolidated state. North maintains that tax–funded provision of infrastructure (for example, roads and courts) lowered the costs of commerce and thus stimulated economic growth. If Jackson is trying to apply North's thesis to urban (and suburban) history he fails to dig up the necessary evidence to support it.

To be sure, business supporters of annexation were motivated by the prospect of cheaper and more extensive city services. Certainly, they wanted lower "transaction costs" for themselves; the problem was that it came at the expense of their competitors, who had to pay higher taxes. Historians long before North and Jackson recognized this as common sense. Dressing these business motivations up in the garb of

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"regularizing the economy" or "transaction costs" only obscures their meaning.

Jackson's analysis would have been greatly improved had he focused more on the common denominator of pro-annexation campaigns: a desire on the part of municipal officials and their tax-dependent allies to extract new revenue from the urban periphery. He could have profitably employed classical liberal class analysis as a framework in which to place these controversies. Classical liberal class analysis depicts society as divided for many purposes between two contending groups: a net tax-consuming class and a net taxpaying class. While this dichotomy does not explain all struggles involving state power, it applies well to the annexation disputes. Jackson does not give a cogent general explanation for annexation movements; he sees them as having originated from diverse coalitions of special interest groups. But the special interest groups did have something in common: they stood to become net tax consumers, or at least to pay lower taxes, as a result of annexation.

Jackson barely touches on the relationship between public goods and urban imperialism. This is no small oversight. Public goods served as the basic tools of municipal territorial expansion. City leaders tempted citizens on the periphery with the promise that annexation would reduce taxes by socializing the costs of roads, criminal justice, and utilities. This argument was seductive because annexation did indeed give suburban taxpayers immediate short-term savings. Over time, though, the savings evaporated. As urban centers decayed, municipalities became increasingly parasitic of taxpayers in the outlying areas. Many foes of annexation in the periphery foresaw these developments and played them up in their campaigns.

Municipally provided public goods also trapped the periphery into perpetual dependence on the center. As George David Smith[2] and other historians have pointed out, private, and often competitive, provision of electricity, telephone service, and roads had its strongest foothold outside of central urban areas. After annexation, municipalities and urban–based franchised utilities were in a better position to outlaw, undercut, or otherwise supersede these services. Private providers were doomed once the periphery became absorbed by the municipality's public works grid. This crucial aspect of municipal annexation deserves far more attention from Jackson and other historians.

If understood in these terms, urban imperialism sheds new light on the demise of the special assessment. The special assessment had been,

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by and large, a user–based method of financing. Only when general taxation replaced the special assessment could tax-consumers freely extract taxes from the annexed territory. Although empirical work in this area is still lacking, units of government dependent on the special assessment probably had less propensity to embark on campaigns of urban imperialism.

Jackson offers pathbreaking insights into federal encouragement of suburbanization. Until the Great Depression, the federal government played only a marginal role in urban affairs. This ended in 1933 with the creation of the Home Owners' Loan Corporation. The HOLC had the power to subsidize home mortgages. Its effect on the housing market was far-reaching. The HOLC subsidized a staggering one-tenth of all owner-occupied homes in the United States during the 1930s.

Jackson discovered an embarrassing skeleton in the federal closet when he traced the origins of "redlining." He unearthed several "Residential Security maps" produced by the HOLC during the 1930s and 1940s. The maps subdivided leading urban areas in the United States into four color-coded ratings of loan desirability: green, blue, yellow, and red. The red areas were usually older neighborhoods inhabited by racial and ethnic groups designated by the HOLC as "inharmonious" (usually blacks or Jews). Other federal agencies, like the Federal Housing Administration (FHA) and the Veterans Administration, based their loan decisions on the maps.

Applicants in red areas received virtually no housing loans. Hence, the practice was dubbed redlining. Jackson blames FHA loan boycotts for undermining the economic health of once–vibrant neighborhoods by stripping them of middle–class elements. Federal redlining also hardened, and helped to spread, racial and ethnic segregation. Discrimination had long existed in the business community but it had usually been localized and sporadic. Federal housing loans were made on such massive scale that they required much greater standardization than had previously been necessary. Loan maps were one tool the HOLC used to speed up its lending decisions. Banks later used the maps, which they probably could not have afforded to draw up at their own expense, as a basis for their own lending policies.

Federal loan policy also spurred suburbanization. Federal housing bureaucrats shared, and translated into government policy, the traditional anti-urban bias of American intellectuals. FHA discrimination against urban residents took several forms, including lot size regulations which favored single detached housing. These requirements

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speeded the demise of the once common row house, an ideal method of home construction for space–starved urban areas.

Although Jackson's contributions to urban and suburban history are seminal, his analysis occasionally lacks focus. For one thing, he sways back and forth between culture and government policy as the motive force behind the American form of suburbanization (dominated by the middle-class owner-occupied home). Jackson unearths both sermon and song dating from the nineteenth and early twentieth centuries glorifying home ownership. The cultural argument is strengthened by evidence about the privately planned Garden City, Long Island community during the 1870s. Garden City failed to attract residents because its housing units were rental rather than owner-occupied. According to Jackson, this illustrates a strong popular American bias in favor of homeownership. At other points, however, Jackson puts almost exclusive blame on government, especially at the federal level, policies for creating suburbia.

Both culture and government played their respective roles. Jackson's problem is that he does not attempt to assess the relative contribution made by each. To paraphrase William Graham Sumner, Jackson does not adequately explore the complex relationship between the folkway of home-ownership and the stateway of government subsidy.

Jackson describes in devastating terms how "Uncle Sam was not impartial" in housing policy but then turns around and reassures us that the concept of public housing "remains valid." These words cry out for a good dose of public choice theory. Jackson believes that the failures of government intervention are somehow exogenous of, not endemic to, the bureaucracy. Accordingly, he matter-of-factly maintains (without producing much evidence) that the "success of 'the projects' in some cities suggests that the fault may rest with management or with funding levels rather than with the idea." This book sadly lacks a theory of bureaucracy. Jackson's views on the subject, such as they are, resemble what James Buchanan has called the "benevolent despot" theory of government policymaking.

Even so, given the general tenor of the book, Jackson's admiration for historian and critic Lewis Mumford, whom he quotes approvingly throughout, is a matter of no small irony. Mumford built his reputation as a spokesman for that most appalling legacy of planning, inner city "greenbelts." True, Jackson and Mumford share a mutual disdain for the suburb and the automobile. Also, like Mumford, Jackson touts the "harmful effects" of the market. Here the similarities end. Where

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Mumford was never at a loss to confidently propose a planning solution, Jackson's general tone toward policy alternatives, aside from a few half-hearted bows to more public subsidies, is agnostic. In this agnosticism about government panaceas, *Crabgrass Frontier* represents an auspicious addition to the corpus of suburban history.

NOTES

1. Sam Bass Warner, *Streetcar Suburbs: The Process of Growth in Boston, 1870–1900* (Cambridge, Mass: Harvard University Press, 1962).
2. George David Smith, *The Anatomy of a Business Strategy; Bell, Western-electric, and the Origins of the American Telephone Industry* (Baltimore: Johns Hopkins University Press, 1985).

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David Ramsay Steele

THE IRRATIONALITY OF PLANNING

NATIONAL ECONOMIC PLANNING: WHAT IS LEFT?
by Don Lavoie
Cambridge, Mass.: Ballinger, 1985; 303 pp., $24.95, $9.95 paper

Don Lavoie's absorbing book is an argument against central planning and simultaneously an argument against what he calls the objectivist theory of knowledge. The argument against planning is excellent and convincing. The argument against objectivism is nebulous. The alleged connection between the two is a complete mystery.

Lavoie divides national planning into two varieties: comprehensive planning, which seeks to replace the market by central directives—the Marxist idea of "planned production for use"—and noncomprehensive planning, which hopes to retain the market while directing its general tendency and shape.

The case against both kinds of planning was clearly stated by Adam Smith: individuals know far more about their particular local circumstances than the "sovereign" can possibly find out. The force of this argument depends upon the effectiveness of some kind of system which enables each person to draw upon the knowledge of others and tends to eliminate the conflicts between different persons' separate plans. The market is such a system, in which the separate plans move toward compatibility as price signals inform each person of the urgency of other people's wants and claims on scarce resources. Although Smith provided insights into the coordinating role of the market, only at the end of the nineteenth century did this role begin to be accurately understood, by which time a vigorous new movement for society-wide

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planning was under way. The arguments of Mises, Hayek, Polanyi, and Paul Craig Roberts provide the modern case against such planning, a case which Lavoie develops ingeniously and applies to some of the more serious political issues of the 1980s.

In his discussion of comprehensive planning, Lavoie makes surprising use of modern discoveries about social insects such as ants. Ants have long been viewed as paradigms of totalitarian perfection, both by totalitarians and their enemies. Yet, as Lavoie explains, the ant is really an anarchist. The cohesive efficiency of an ant colony does not depend upon all the ants following commands. More remarkably, it does not depend upon each ant following rigid instinctual patterns, nor somehow perceiving the overall pattern of the colony. Instead, each ant's behavior is modified by the chemical messages it receives from other ants. By a complex process of feedback and equilibration, outcomes important for all the ants are achieved in a way which surpasses the sum of all the ants' individual capacities.

Turning to more specific issues, Lavoie's treatment of Wassily Leontief's input-output method and recommendations for national planning brings out clearly Leontief's equivocations over aggregation. Though Leontief criticizes much planning theory for dealing in broad aggregates unrelated to real choices, his own smaller aggregates suffer from the same fatal defect. If we were to disaggregate completely, there would be billions upon billions of rows and columns. Aside from that, movement in the economy relies upon market agents' knowledge, much of which they cannot explicitly formulate. An entrepreneur's response to a price change may require as much skilled judgment as a move in a chess game. No matter what advances occur in data collection and processing, they cannot turn this skilled judgement (or "tacit knowledge") into "data," since it is evinced only in action, not written out beforehand as an elasticity-of-substitution curve.

The two chapters on economic democracy and reindustrialization are the clearest, the most topical, and the least burdened by anti-objectivist fulminations. Lavoie's deft exploration of the muddles involved in "planning from below" and "decentralized planning" is all the more telling because of his evident sympathy with some of the aspirations of their proponents. Contrary to the reindustrialization advocates, as Lavoie points out, Japan has comparatively little state intervention in the market, and Japanese successes can be attributed to the frequency with which the recommendations of its Ministry of International Trade and Industry have been ignored.

Although Lavoie is patient and sympathetic with advocates of na-

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tional planning, he is unfairly contemptuous of neoclassical economists, who are mostly his anti-planning allies. He gives a brief, misleading discussion of "market failure," where he claims that market failure entails that government planning can improve on the market. There are other alternatives. In any case, immunizing economic theory against any possible finding of market failure empties the theory of empirical content. The theory shows that markets are often successful. If the theory is apologetically trimmed so that it could under no circumstances identify a market failure, then the theory's demonstration of market successes is compromised.

Again, Lavoie asserts that mathematical and econometric "tricks" have "squeezed out of the journals virtually all work relating directly to actual economic problems." This is false and preposterous, quite apart from the fact that no scientist should need to apologize for preoccupation with theoretical problems.

Lavoie presents his criticisms of planning ideology as bound up with an anti-objectivist epistemology. There are numerous assertions that the "objectivism" maintained by many philosophers of science must be scrapped, and that this is vitally connected with the knowledge problem solved by the market. But just what Lavoie's anti-objectivism amounts to is never specified. Lavoie apparently holds that "the objectivist view of knowledge is primarily responsible . . . for the fallacies of all varieties of planning," but no evidence can be found in Lavoie's book for this extraordinary claim. There are many passages where he attempts to explain what he means by objectivism, but here he attacks a stereotype of the dispassionate scientist accumulating "proven" knowledge, a stereotype which has been advanced by hardly any philosopher, and Lavoie cites in support of anti-objectivism different writers who agree with each other on very little.

I can only guess that Lavoie, because he emphasizes market agents' subjective motivations and stocks of unformulated knowledge, thinks that the analysis of these agents' doings has to be conducted in some non-objective manner. But the description and analysis of people's actions in terms of their subjective motivations does not call for a non-objective stance on the part of the scientist doing the analyzing, any more than a physiologist studying the tactile sense would have to eschew evidence obtained visually. That someone has a subjective motivation is an objective fact which can be explained by an objectivist theory.

Since what Lavoie is seeking to claim by denying that science is objective is obscure, let me stake out some kind of territory for Pop-

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perian objectivism by asserting five ways in which science is and must be objective, even though it is not entirely clear that Lavoie would oppose any of these assertions. First, science is objective in that it seeks truth, and the notion of truth is of a relation between statements and the world which holds independently of the feelings or thoughts of the utterer of the statements. The world is there, and has certain features, such that our descriptions of it may be objectively true or false. Second, science is objective in the sense that the standing of scientific theories is independent of scientists' thoughts and feelings. Einstein did not believe that his theory of General Relativity was true—to the end of his life he tried unsuccessfully to replace it with a better theory. From the standpoint of science (as opposed to history of science), it would have made no difference if he had believed it to be true, as perhaps some of his followers did. The theory would have been just as good or bad. Third, science is objective in the sense that much of it is not subjectively known to anyone. It is external to consciousness. For example, nobody knows, in the subjective, psychological sense, all of Lavoie's book. Lavoie himself could not recover it all from the depths of his mind if all copies were lost. Nobody knows the patterns of the fingerprints of all U.S. citizens whose prints are on file. Quite possibly nobody personally knows a single one of these prints, in the sense that he could reconstruct it exactly from memory alone. Fourth, science is objective in the sense that even the bits of it which are subjectively recoverable are not fully understood, and may even be radically misunderstood, by everyone who "knows" them, just as we may never fully understand a machine which we have invented, and can spend the rest of our lives discovering new things about it. Fifth, science is objective in the sense that it appeals to common rather than individual standards. Thus, no matter how prejudiced an individual scientist, he cannot "get his way" except by convincing other scientists, by appeal to common standards.

As supports for his anti-objectivism, Lavoie often cites Polanyi, Lakatos, and Kuhn—Polanyi most of all. These three are far from holding identical, or even mutually compatible, views. Lakatos and Kuhn would no doubt agree with all five kinds of objectivity I have listed. Polanyi, I guess, would have agreed with the first and fifth, disagreed with the second and fourth, and never thought about the third. Polanyi never seemed to address the contention of the objectivists that, since the objectivity claimed for science does not depend upon the personal objectivity of the scientist, indications that scientists often depart from personal objectivity do not call in question the objectivity of science.

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Followers of Polanyi always deride the straw man of the impartial, disinterested scientist, as Lavoie does. But who has ever claimed that scientists were like this? Certainly not Popper, or for that matter, Reichenbach, Feigl, or Hempel. Mr. Sherlock Holmes, perhaps, though his behavior and its results dramatically refute his methodological pronouncements. Again, Polanyiites are forever repeating as Lavoie does, that science is at every stage dependent on skilled performances. This is trite and uncontested, but it does not imply what the Polanyiites think it does.

Lavoie seems most committed to the views of Polanyi, yet I think these views lead in a direction Lavoie would not welcome. Polanyi was deeply committed to my first kind of objectivity. He asserted emphatically that science was a search for true descriptions of reality. Yet he considered that science as a professional activity relied crucially on faith and authority: rationally indefensible commitment to the authority of "masters." Where then is the guarantee that science will not become derailed and start to build a culpably illusory picture of the world, or lose interest in describing the world? Indeed, how conceivably could it not long ago have become derailed? Polanyi has to answer these questions by falling back on the personal devotion of the individual scientist to his scientific faith. Science stays on the rails because individual scientists keep the faith; they keep the faith because they have been sufficiently indoctrinated; and they willingly consent to be indoctrinated because of a rationally indefensible commitment. Polanyi concludes that faith in God is epistemologically on a par with faith in science. His argument, he supposes, vindicates theology, which works, psychologically and professionally, on lines analogous to science.

Although Polanyi is convinced that conventional science is a correct way of getting on the track of objective truth about the world, and astrology an incorrect way, it follows from his irrationalist outlook that an intelligent, honest, critically-minded person, with time and resources to evaluate the claims of physics and astrology, could have no rational ground for preferring either one to the other. A physicist might well reject astrology—but only on grounds internal to physics. An astrologist might just as reasonably return the compliment. Lavoie mentions the possibility that chiropractic might "ultimately vindicate its claims" and gain acceptance by orthodox science. But this could only happen non-arbitrarily if there were some rational standard independent of the professional establishments in both orthodox science and chiropractic—independent of their tacit skills. Without objective standards, related perhaps to observed facts, what could "vindication" really mean?

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The casually commonsensical comment is that physics has been borne out by observations, while astrology has not. Physics has passed stringent tests to see whether it fits the facts, whereas astrology has not. This claim has come in for a lot of criticism, and turns out to be more subtle and complex than used to be thought. But it seems to me that this claim survives. In different ways, Polanyi, Kuhn, Toulmin, Lakatos, and Feyerabend contend that observations are determined by theories and therefore cannot be used to choose among theories. Some of their subjectivist arguments are neatly scotched in Carl Kordig's marvellous little book, *The Justification of Scientific Change*.[1]

Polanyi was impressed by cases where scientists dismissed out of hand some striking experimental or theoretical result. He thought that scientists were right to do this, that it was scientifically virtuous of them to close their minds to certain possibilities without bothering to give these a fair run for their money. Lavoie endorses this, adding the economist's argument that resources are scarce so not all possibilities can be pursued. Polanyi's conclusion supported him in his irrationalism and fideism. But since Polanyi would have to agree that it is *sometimes* correct to take seriously a disturbing, anomalous result, the question arises whether the scientific community could ever be mistaken, dismissing a result which they ought to take seriously. Let us dismiss without taking seriously the possibility that they never could (an instance of the book reviewer's tacit knowledge, picked up in the course of an arduous apprenticeship, founded on my faith in the authority of master book reviewers, and therefore beyond criticism). In that case, there must be some standard by which we can distinguish the mistaken dismissals from the appropriate ones. It is no use appealing to the scientific conscience, for a conscience cannot operate without standards of conduct. My conscience tells me not to steal, or not to fake experimental results, but it is not helpful to say that my conscience tells me to obey my conscience. My conscience may, of course, be a bit like D. H. Lawrence, and tell me to listen to the promptings of my tacit knowledge, but that returns us to the problem that we must sometimes be able to have reasons for thinking that these promptings are erroneous.

If we can say that scientists may be mistaken when they employ their tacit judgement in accepting or rejecting theories, then no matter how much they depend on their tacit judgement, that judgement is not the standard being appealed to. I suggest, without any originality, that the standard often is the theory's capacity to explain observed facts.

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Thus, reliance on judgement to do something does not show that judgement is the standard. If someone adds up a column of figures, unformulated skills and inarticulate judgement are employed, but this does *not* show: (1) that more than one answer are correct (much less that any answer will do); (2) that the rightness or wrongness of the answer depends upon the adder's personal qualities; or (3) that there are no objective standards applied by the adder, which help to regulate his adding. In fact, when we acknowledge the employment of skill and intuition in this and more complicated examples (like finding a new proof for a theorem), we are hinting at objective standards, for it would make little sense to talk about skilled judgement in pursuit of an arbitrary result. The subjective qualities are activated in the service of objective goals, and without these objective norms of evaluation we could scarcely appreciate the subjective qualities. We know about Bobby Fischer's superlative subjective skills only because he won so many games—an immaculately objective fact. We know about Newton's prodigious intuition and other subjective equipment because he produced theories which scored spectacular objective successes.

For all these reasons I think Lavoie's anti-objectivism is unsound. But I think I can offer him a more attractive inducement to reconsider. Without an objectivist epistemology it must be quite unwarranted for him to say that mainstream neoclassical economics is all baloney, and he obviously likes very much to say this, as he says it so often and with so much feeling. From Polanyi's standpoint, general indictments of a whole scientific community's traditions and methods are out of court. They can only be regarded as senseless, since the fundamental premises of the discipline are maintained by "acts of devotion," and not susceptible of refutation. But from an objectivist standpoint, such as Popper's, there is no need to view the scaffolding as a prison.

NOTES

1. Carl Kordig, *The Justification of Scientific Change* (Dordrecht, Netherlands: O. Reidel, 1971).

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Robert J. Antonio

REASON AND HISTORY IN HAYEK

The ideal of a totally planned, "rational" society is bankrupt in Western intellectual circles. The impossible dream proved to be a dangerous fiction, an ideological prop for bureaucratic rulerships aspiring to total power.[1] The sorry record of such regimes has caused some on the left to reassess the value of markets and many more to understand the merits of countervailing power centers and the advantages of life in a differentiated society of autonomous individuals, associations, and communities. The orthodox Marxist strategy of a global, state-directed, societal transformation has been radically "decentered." The "postmodernist" (and "poststructuralist") left has abandoned Marxism, rejecting completely the emancipatory "grand narrative" of the Enlightenment. It contends that any general plan for social reconstruction is a threat to the pluralist order of differentiated society and a step toward totalitarianism. Even Jürgen Habermas's effort to revive Marxist holism and rationalism castigates bureaucratic centralism and makes rule of law, civil society, and participatory democracy the center of progressive politics.[2] The left has become ambivalent about the state and planning, and has had to recast its redistributive and regulatory ideas in light of new concerns about the preservation of community and voluntary association.[3]

However, the contemporary left has by no means given up on planning itself. In fact, the idea has resurfaced in recent discussions

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about "deindustrialization" and "reindustrialization." Many planning models have been proposed as guidelines for government industrial policy, although none have advocated total planning imposed from the top down. The new planners contend that there is already an oligopolistic sector of the economy—governed by the visible hand of corporate managers, financial institutions, and state bureaucrats—that cannot be eliminated without dismantling the institutional structure of modern society. They propose to revise existing industrial policy by democratizing and rationalizing what is presently a haphazard result of political brokering among the nation's most powerful interests. This means making the planning process public, making it reflect a broader range of costs and benefits, and subjecting it to the scrutiny of a more comprehensive cross-section of constituencies.[4] The new planners could substantially influence policy-making in the post-Reagan era, especially if the present period ends with a serious recession and a fiscal crisis generated by federal deficits. They already have made inroads within the Democratic Party and will likely have a voice in the political affairs of the next decade.[5] Critics of planning must, therefore, adjust their arguments to the new, "decentered left" position and to the explicit types of policy that follow from it.

F. A. Hayek has presented the most comprehensive and fundamental challenge to the idea of central planning. Interestingly, his image of the good society overlaps the normative ideal of some of his opponents. Like the critical left, Hayek desires a pluralist society with a multiplicity of autonomous groups and associations, and heterogenous forms of knowledge, values, and ways of life. The left's convergence with Hayekian thought should not be a surprise, because the contemporary left is itself differentiated; its diverse social movements, goals, and tactics often conflict with state bureaucracy and cannot be subsumed under a single plan. Therefore, the left's embrace of pluralism and rejection of totalitarianism is no intellectual artifice.

The partial normative agreement between Hayek and the left is countered by larger theoretical and policy disagreements. Hayek considers even the slightest state involvement in the economy a threat to an open society. The critical left, in contrast, considers a mixed economic system combining state planning, redistribution, and competitive markets the path to an open society. The two positions are based on very different assumptions about the social conditions necessary to perpetuate a differentiated society. For Hayek, pluralism depends foremost on strongly secured and practically unrestricted property rights, and on the absence of political interference with economic exchange

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and social cooperation. The critical left counters that differentiated society cannot be preserved without conditioned and regulated property rights, especially with regard to productive property. Hayek treats coercive power as if it were exercised exclusively by the state and implies that even modest regulatory policy is an imperialistic expansion of coercion. The left, on the other hand, believes that an unregulated market society breeds centralized power and concentrated wealth, which destroy competition, expand social conflicts over inequality, and culminate in a garrison state. Only a mixed society has the networks of countervailing powers that curb centralization and concentration, and foster social diversity.

The keystone of Hayek's social philosophy and of his broadside against planning is the idea of spontaneous social order. His conception of the way cultural evolution proceeds implies that state intervention is obstructive.[6] It also provides a metarational guarantee for his prescriptions for social change. However, I will argue that his evolutionary argument about spontaneous order cannot stimulate critical reflection about classical liberalism's ultimate values. Classical liberals need to develop greater sensitivity to the unintended consequences of the policies they advocate if they wish to engage the critical left in dialogue and to provide a definitive critique of the new planners.

Rationalism

Central planning, according to Hayek, follows from the Cartesian attitude that successful human action is based on causal understanding of ends and means, and that social institutions arise from rational design.[7] Hayek excoriates this "constructivist rationalism" for failing to recognize that practice is primary and that social patterns often emerge from unplanned activities without conscious collective ends. At first glance, the emphases on nonreflective action and unintended consequences seem outside the orbit of Western rationalism, and, as he suggests, foreshadowed only by the critiques of the Scottish moralists. But these themes are not all foreign to modern rationalism and can be detected even in the works of "constructivists."

Thinkers influenced by the Enlightenment have not basked exclusively in the glow of reason; they have also stood in the shadows of powerlessness as they observed humanity's efforts to control the course of history. The unresolved tension between the rational and nonrational is an important thread in modern occidental thought. Marx's "ra-

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tional" plan for terminating human "prehistory" was conditioned by his awareness that the revolutionary intentions of the French had culminated in Napoleonic dictatorship.[8] He understood that the path to socialism was rockier than his materialist political posturing to the proletariat admitted.[9] And Max Weber, the leading sociological analyst of rationality, traced the roots of Western secularism and utilitarian rationalism to an ironic source—Calvinist asceticism. In his account, the early Protestants had no inkling of the disenchanted world that they were methodically and blindly building.[10] Awareness of the unplanned and unexpected in history did not stop Marx from preaching socialism or Weber from preaching capitalism, but it made them more cautious. Hayek, though, sees the radical unintended consequences of social action as desirable rather than fearful. His warranty that spontaneous experimentation with the social order will work is based on a deep faith in the ultimate rationality of traditional social patterns unknowingly weaved. Here is the fundamental break; only Hayek extends his rationalism behind the doors of the unintended.

The broad scope of Hayekian rationalism is hard to grasp at first because it is lodged within a very modest-sounding epistemology. He begins with the Kantian tenets that the objective world of "things-in-themselves" is merely posited and that sensory experience is too rich to be captured fully by natural science. Knowledge of the social world is even more partial and conditioned, because it requires a muddy process of interpretive understanding of meaning and motives. However, Hayek goes far beyond the familiar neo–Kantian limits to knowledge by arguing that the most fundamental ordering principles of social life cannot be articulated and are not accessible to conscious awareness. In his view, social practices follow "meta-conscious rules" and contain tacit forms of knowledge which exceed by far the limited capacities of the rational intellect. Therefore, constructivist rationalism is not merely misguided, it is based on false premises and impossible goals.[11] Central planning is doomed from the start because it could never establish in advance a network of rules and practices adequate for the complex social patterns that the plan aims to bring into being. When instituted, such plans are coercive, prevent individuals from using their tacit social knowledge, and cause costly adjustments that waste societal resources. According to Hayek, the constructivist mind suffers from the erroneous belief that "we can know what we do." Countering Marxist claims about the corrosive cultural effects of the market, he insists that it is constructivist hubris that undermines the moral basis of society.[12]

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Hayek argues that metaconscious rules and the bank of tacit knowledge are products of many generations of trial-and-error conditioned by natural selection. The invisible rule-based substructures of social institutions differ in their knowledge-carrying powers and their capacity to satisfy human needs and desires. Individuals select institutions with superior banks of tacit knowledge and effective practices, and migrate away from those with lesser capacities. The superior social institutions survive because they are successful means of coping with the environment that ultimately enhance the collectivity's reproductive fitness. This position provides a utilitarian justification for traditional practices and a powerful rationale for opposing constructivist tampering. Planning, by definition, interrupts the orderly course of social evolution and undermines its architechtonic. Since institutions are the outcome of many individuals applying specific knowledge unknowingly, a planning elite can never produce "rational" substitutes for these elaborate social processes and structures. Except for the constructivist state and organizations maintained by its coercive tentacles, Hayekian evolutionism contends that social institutions exist because they work and have been chosen by many individuals.

This Panglossian vision of institutional development is no reactionary traditionalism, though. Hayek believes that the absence of the constructivist state minimizes coercive social power. The consequent condition of "liberty" not only permits persons to continue traditional practices, but also maximizes their opportunities to create new metaconscious rules, new modes of tacit knowledge, and new practices. Hayek's ideal of a "great society" allows fresh institutions to rise and others to pass away in response to changing human needs. It turns the table on Marxists, social democrats, and welfare-state liberals by arguing that market-centered societies are the most effective agents of social change and societal dynamism.[13] Max Weber and Karl Polanyi made similar claims, but couched them in explanations that rested on the unique configuration of historical conditions in the development of the West. In contrast, Hayek's argument is philosophical and transhistorical.

"Spontaneous order,"[14] the central concept in Hayek's system, is the point where his epistemological assumptions and evolutionary contentions come together. Surely, the market or "catallaxy" is the inspiration for this broader idea.[15] In contrast to "organizations," which are based on a unified hierarchy of ends and commands, spontaneous orders are unintended, self-regulating systems of related practices. As products of natural selection they are proven means of environmental adjustment. Simply by complying with established routines individu-

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als activate the bank of tacit knowledge and inherited wisdom of the evolutionary process. Spontaneous orders reflect the pattern of metaconscious rules and constitute a hidden substructure of social life.

Due to the inherent limitations of human knowledge, spontaneous orders are beyond the reach of our knowledge-thin conscious perception of social life. "Rational" descriptions are stark; they must follow the more superficial outline of organizations and cannot express the rich topography of the more fundamental social totalities. In Hayek's view, spontaneous orders provide the real basis of social integration and are the most effective means of coordinating collective actions. Even in constructivist regimes they exist as a shadow order which ensures at least minimal provision for human need. Interventionist states hinder their operation and retard their growth. The advantages of spontaneous orders are so great that evolution favors societies that permit their freest development. Hayek believes that evolution is a progressive movement from "tribal society" dominated by patriarchal organizations to "open society" based on spontaneous orders. In this framework, modern constructivist planning is treated as the product of an atavistic herd instinct, reflecting the mentality of the primitive horde.[16]

Since Hayek asserts that law is the direct product of spontaneous order, the shape of a legal system is a telling factor, indicative of the society's level of evolutionary development. The Kantian "categorical imperative" is Hayek's standard of just law; legal maxims must be expressed abstractly enough to command universal moral assent. Therefore, morality must be independent of specific empirical contexts and of the interests of particular social strata. According to Hayek, legal systems of open societies protect property rights[17] but otherwise are procedural and negative. They aim at preventing unjust behavior rather than instituting duties and obligations. Procedural law provides a sufficiently abstract definition of just conduct to permit the wide range of (metaconscious) rule-following and innovative behaviors that characterize a society rich in spontaneous orders.

On these grounds Hayek attacks constructivist attempts to institute social justice by law. In his view, such law can never be universal, because it issues commands about particular conditions and specifies the interests of certain social strata over others. Further, he implies that redistribution violates property rights, undermining the basis of orderly society. Efforts to impose social justice fall into the constructivist trap of assuming that society could be the product of rational design and thus share the epistemological shortcomings of all such planning

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efforts. Overall, Hayek believes that legal concepts of social justice are contrary to the open society and lead to tribalistic unfreedom and social stagnation. Conversely, the dynamism of spontaneous orders is a consequence of creative activity unlocked by abstract morality and procedural law.[18]

Rationalism and Power

Hayek's celebrated critique of rationalism[19] points only to a disjunction between intention and consequence, and is pertinent mostly to overconfident planners and to the narrowest economistic utilitarians, who describe complex social actions as if they were the outcome of a computer-like series of rational calculations. I challenge neither the reasonableness nor usefulness of such criticism, especially within economics. Instead, my criticism is directed at Hayek's wider claims about cultural evolution and social integration and particularly at his metarational logic of unintended consequences.

The concept of unintended consequences has been an important feature of sociological efforts to counter one-sided rationalism and has been used to express the significance of the nonrational, unpredictable, and contingent in history. Sociology has not only stressed the gap between conscious ends and empirical outcomes, but also have attacked claims about unconscious and supraindividual modes of rationality (e.g. progressive evolutionism).[20] In sharp contrast, Hayek employs the concept of unintended consequences to argue for the existence of a rational substructure to social life. In his account, individuals select practices and institutions that fit implicit, rational means to implicit, rational ends. The supraindividual process of natural selection replaces the calculating actor, but the emergent spontaneous orders crystallize the unintended consequences of individual activities into a broader and magnificent societal rationality. This is *not* a modest rationalism; its assumptions and prescriptions are at least as problematic, complex, and sweeping as constructivist rationalism.

Hayekian rationalism is no longer a property of the conscious subject, but inheres in the underlying logic of the social process. This supraindividual rationalism is a curious analogue to the now defunct Marxist structuralism, which was popular in Britain and on the Continent during the 1970s. Despite great differences in sociology and politics, the structuralists also emphasized an underlying and invisible societal rationality. Metarationalist positions of either the Hayekian or

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Marxist variety are networks of assumptions, not testable theories. In Hayek's case, the limits to knowledge are so stringent that the concept of spontaneous order cannot be falsified. His epistemological assumptions preclude systematic investigation into evolutionary natural selection; the metaconscious rules and tacit forms of knowledge are inaccessible to empirical-historical study, and the rational, social totalities (spontaneous orders) can be grasped only as ideal entities. Hayek supplants empirical rationalism with a rationalist philosophical anthropology, which is intended to give a transhistorical basis for classical liberal beliefs and prescriptions. In the process, he turns the sociological conception of unintended consequences upside down. Instead of warning of unexpected conditions with mixed effects, Hayek offers a warranty that his prescriptions for social change will enhance societal rationality and yield only socially beneficial effects.

Even if it were framed by a different epistemology, Hayek's inattention to social power would still wreck his conception of cultural evolution. The state's control over the material means of violence and organizational means for managing societal resources have been pervasive and well-documented facts in historical development. States frequently forbid practices that are perceived to threaten the leadership strata and always influence the flow and distribution of resources necessary to institutional reproduction. It is odd that these realities, explicit in Hayek's own critique of the state, cannot be accounted for by his conception of cultural evolution. However, even framing the issue in terms of state power is too narrow, because coercion and domination also inhere in formal organizations and in informal orders outside the state. Interorganizational power is a most important feature of all institutional reproduction. Moreover, within organizations individual action is regulated by the manipulation of material and symbolic sanctions. Therefore neither the societal ensemble of institutions nor the arrangement of practices within a single institution can be explained by Hayek's utilitarian logic. Hideous social practices often have endured on the basis of long-lasting power systems.

An institution's capacity to reproduce itself depends on its location within the societal power system, its ability to maintain internal compliance, the unintended consequences of its leadership's decisions and a host of other historical contingencies. A process similar to Hayekian natural selection probably contributes to at least some aspects of this process. No matter; the other pervasive and empirically demonstrable factors ought to have precedence over unverifiable functionalist claims that institutions exist because they are historical solutions to implicit

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needs. Although most institutions provide services of some sort, their perpetuation can be explained only by the historical conditions that influence their reproduction. Overall, the concept of spontaneous order implies an unrealistic voluntarism and pluralism. It ignores the ubiquity of power structures and the broad constraints that they impose upon choice and opportunity. Hayek's metarational conception of natural selection, based on emulation and migration, suggests an idealized cultural marketplace that permits a free play of cultural entrepreneurs, alternative cultural goods, and cultural consumers. Whether this ideal bears any relation to the visible world of power and coercion is unclear.

The problematic issue of power comes up again in Hayek's statements about law. On the one hand, he asserts that law emerges directly from metaconscious rules and reflects the spontaneous order, while on the other, he speaks of it as an instrument of state coercion. Certainly, his preferred type of procedural law can be separated theoretically from the unjust type. However, in historical societies just and unjust laws alike are the province of rulers and their subordinates. What does it mean when one implies that just rules somehow emerge from the spontaneous order, while unjust rules do not? How does the vulgar level of organizational power relate to these respective legal domains? It is impossible to grasp the shape and developmental tendencies of a legal structure without analyzing its relation to the societal power system. In open societies this involves a complex interaction between state bureaucracy, private organizations, informally organized interest groups, social movements, and unevenly interested electorates. The point is that Hayek does not provide analytic connections between his posited forms—spontaneous order and just law—and the historical world of social organizations and power formations. In his system, the two worlds stand separate and opposed, and are discussed as if they were governed by autonomous logics. The deep rift between Hayek's voluntaristic view of cultural evolution and his normative critique of coercive state power reflects a broader methodological problem in his thought, concerning the connection of the ideal and empirical.

Hayek's method of "immanent critique"[21] means that his critical standpoint must rely on historical justification. Hayek envisions society as a complex of competing institutions with differing capacities to provide for human needs. The ultimate methodological basis of his critique is that it claims to side with the historical values and practices that drive evolutionary progress and to oppose those that retard the process. This means that the tension between spontaneous order and constructivist rationalism represents abstractly real "incoherences" of the historical process and expresses its actual developmental tenden-

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cies. Questions about the historical basis of Hayek's conception of spontaneous order do not reflect empirical nitpicking, but express rightful concern over the methodological foundations of his critique. Because he claims to be addressing the immanent contradictions and possibilities of modern society, the matter of historical grounding must be raised again in even broader terms.

Bureaucracy in Modern History

Hayek's system does not come to terms with two of the primary developmental features of modernity: bureaucratization and democratization. His vision of a progressive movement toward society based on spontaneous order contradicts the historical trends toward increased bureaucracy, state regulation, and conditioned property rights. Hayek must treat such matters as external impositions on the modern system. Weber, who shared Hayek's fears about the consequences of these trends, demonstrated that bureaucratization was part of the process of capitalist development and was spurred by features of the modern market (i.e. competitive pressures to institute increasingly exact means of calculation and to establish predictable organizational environments). Furthermore, he portrayed bureaucratization as a society-wide process, not a monopoly of the state. Modern sociologists and historians of many persuasions have upheld these positions and have explained the emergence of the twentieth-century interventionist state as largely a response to a prior bureaucratization in the private sector. Within the bounds of Hayek's evolutionism, these trends must be attributed to increasing numbers of individuals selecting practices and institutions on the basis of their tribal instincts. However, this explanation undermines the historical basis of Hayek's claims about natural selection and the evolutionary progressiveness of spontaneous order.

Hayek's inability to explain bureaucratization follows from the gap between his evolutionism and his critique of the state. By failing to treat power as a facet of evolution, Hayek ignores the role of bureaucratic centralization in institutional reproduction. As Weber pointed out so astutely, bureaucracy has advanced precisely on its ability to coordinate collective action on the basis of a unified system of commands. It is not hard to imagine the selective advantages of this type of structure in the interorganizational struggle for survival. In Hayek's system, the bureaucratic structure of command is inferior on epistemological grounds to spontaneous orders, and therefore less efficient in the production of goods and services. Hayek recognizes formally

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that organizations prevail in some spheres of activity and can even be functional if they are subordinated to a larger system of spontaneous orders. However, the relationship among the respective types of social structure is left unexplained. Particularly unclear is why the epistemological problem of centralized planning is such a crippling factor with respect to states but not for huge private enterprises engaged in oligopolistic cooperation.

The respective contributions of bureaucracy and informal orders to the satisfaction of human needs is a complex empirical question which cannot be answered *a priori* and must be based on knowledge of specific institutions. Despite his cogent criticism of certain problematic features of public bureaucracies, Hayek is mostly silent about the functioning of private bureaucracy. Furthermore, he presents too rosy a picture of informal orders and glosses over the subtleties and contradictory outcomes that result from bureaucracy's capacity to be harnessed to either productive or destructive ends. Most important, by hailing the evolutionary progressiveness of a minimal state Hayek cannot explain the historical trends toward expansive states and large private bureaucracies in the most advanced societies.

Bureaucracy is not a mechanistic motor force of history, propelling society unidirectionally toward centralized power and concentrated wealth. Organizational "rationalization" has set off contradictory effects: it has contributed to status leveling, the development of abstract legal rights, and pressures for the increased public accountability of officials. The bureaucratic emphases on official duties and merit, and the consequent erosion of privileges based on personal ties and ascribed characteristics, have helped foster increasingly egalitarian conceptions of fairness and opportunity. These democratic currents have often conflicted with bureaucratic authority and perogatives, and have sometimes stimulated countertrends toward decentralization. Appeals to political and economic democracy have been a central component of worldwide social struggles in the modern era. Indeed, the unprecedented spread of egalitarian ideals and their pervasive impact on publicly articulated hopes and aspirations are distinguishing empirical features of modernity.

Social Justice

The increased pressure for social and economic democracy has not gone unopposed. However, the strong tie between egalitarian currents

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and modernity cannot be denied. Although Hayek does not argue for inequality, he dwells almost exclusively on the dire social and economic consequences of efforts to institute "social justice." Hayek's belief about the progressiveness of unrestricted property rights does not permit him to consider whether inequality can erode the moral basis of society, undermine the rule of law, and require a Hobbesian state to maintain order. Moreover, it cannot explain why in most Western societies democracy and the rule of law have tended to rise in concert with the ideal of social justice. Hayek views desire for social justice as a primitive sentiment, running against the evolutionary trend toward spontaneous order. This ahistorical reduction of egalitarian ideals to instinct makes him think his prescription against state redistribution has no social costs.

Despite his theoretical appeal to unintended consequences, it is precisely in this area that Hayek's approach is weakest. He does not consider the possibility that the cultural emphasis on social justice might be rooted in obdurate features of modernity, and consequently does not estimate the unintended costs of ceasing efforts to reduce inequality. Hayek's immanent critique ought to be challenged because its historical-empirical foundation is weak. The alleged movement toward spontaneous order is contradicted by bureaucratization. Claims about the atavistic nature of constructivist redistribution conflict with the spread of egalitarian ideals. The disjunction between his evolutionism and history means that Hayek's image of the "great society" cannot be justified on immanent grounds. If this is the case, efforts to create this society will require radical historical change and the costs of trying to bring it into being ought to be assessed.

Hayek's portrayal of the evolutionary movement from tribal to open society is extremely general; it contains no periodized middle-range concepts adapted to explain historical conjunctures. He does not appear to be interested in subtle historical gradations of change or in the empirical shadings between the layered sectors of modern organizational life. Of course, all general theories are by definition limited in their capacity to deal with historical particulars. Hayek's evolutionary approach, however, is not designed to generate more precise models for exploring the dirty empirical details of the social world. Its emphasis on the very long term—so long as to be outside of historical time—and its overly strict epistemological assumptions do not encourage such work. On the other hand, Hayek's prescriptions about constructivist rationalism, social justice, and the state call for major social change. The promise of big benefits and manageable costs rest on his

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metarational philosophy of history and belief in an "empirical" substrate that cannot be observed. The proof of Hayek's contentions about spontaneous order can be assessed only in hindsight long after his prescriptions are carried out.

The concept of spontaneous order expresses a normative ideal of a society of voluntary associations with unconstrained individual movement between groups. Although the image is rooted in selective attributes of actual market-centered societies, spontaneous order is prescriptive and not descriptive; it is oriented to what ought to be and not to what is or what has been. However, Hayek employs the concept as if it were an empirical ideal type, based on a neutral attempt to render abstractly distinct features of the historical process (i.e., cultural evolution and the underlying social order of modern society). By collapsing the normative into the empirical, Hayek conjures up pseudohistorical justification for his value position and shuts down rational discourse over his prescriptions. Religious and transcendental justifications of value are moribund in most contemporary intellectual circles. Therefore, the modern offspring of the old type of value absolutism is expressed in appeals to historical truth and to nature.

Hayek's evolutionism expresses outwardly an historical and pluralistic approach to values, yet at the same builds a great, metatheoretical wall that prevents critical historical reflection about the value foundations of his own perspective. Early in this century, Max Weber attacked orthodox Marxists for the same type of evolutionary immanentism. The German Marxists claimed that their historical materialism expressed the real contradictions of history and that their political aims merely magnified what history was already bringing into being. Weber argued that history had no progressive course and, therefore, could not provide ethical or intellectual justification for value positions.[22] In his view, such positions contribute to mystification by draping political ends with the cloak of science. The search for "truth" in modern political life requires an ideal of uncoerced social discourse about ends and consequences. Appeals to God or to History are artifices which undermine this process.

The concept of spontaneous order should be treated as a normative ideal and the evolutionary justifiction ought to be scuttled. If spontaneous order is no longer viewed as a *telos* of history, the prescriptive positions, which follow from it, could be assessed in a more reasoned and balanced fashion. Hayek's strongest contribution is in the more narrow policy-related areas of economics, where he has addressed some of the specific failures and unintended consequences of central planning

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regimes. However, his broader socio-political philosophy lacks the historical grounding to grasp its own possibilities and limitations.

Speculative systems such as Hayek's collapse eventually from the weightiness of their own ahistorical formalism. Pseudohistorical justifications of value are plausible only to the believer and are unlikely to generate the type of dialogue needed to gain wider consensus. In the advanced nations, orthodox Marxism is practically dead because of the unwillingness of its adherents to rethink critically the foundations of their approach and adjust its political project to the desires and needs of living people. For their approaches to escape senescence, normative theorists must elaborate their value foundations and distinguish them clearly from the contingent historical process that they hope to affect. At the same time, the two dimensions—value and history—must be open to conversation with one another. By this I mean that ideas about the good ought to be conditioned by an empirical effort to determine the possible. In such an approach, the sense of righteousness about ultimate values is counterbalanced by an ethical responsibility to clarify the consequences. This requires an epistemology that encourages both valuative reflection and investigation of history, and that brings the two dimensions to bear critically on one another. However, such a real immanent critique is corrosive to ethics of absolute conviction and dangerous to believers, because it opens them to the type of change and pluralism that Hayek praises abstractly and undermines epistemologically.

NOTES

1. Bureaucratic centralism breeds informal sectors and black markets, which partly cover its shortcomings. See Steven Sampson, "The Informal Sector in Eastern Europe," *TELOS* 66 (1985–86), pp. 44–66; Lev Timofeev, *Soviet Peasants* (New York: TELOS Press, 1985).
2. See Martin Jay, *Marxism and Totality* (Berkeley: University of California Press, 1984), pp. 462–537; Jean-Francois Lyotard, *The Postmodern Condition: A Report on Knowledge* (Minneapolis: University of Minnesota Press, 1984); Jonathan Arac, ed., *Postmodernism and Politics* (Minneapolis: University of Minnesota Press, 1986); Jürgen Habermas, *Theorie des kommunikativen Handelns*, 2 vols. (Frankfurt am Main: Suhrkamp Verlag, 1981); *Communication and the Evolution of Society* (Boston: Beacon Press, 1979).
3. For examples of recent leftist criticism of Marx and Marxism and of their emerging conception of democracy, see Alvin W. Gouldner, *The Two Marxisms* (New York: Oxford University Press, 1980), pp. 324–89; Jean L.

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Cohen, *Class and Civil Society: The Limits of Marxian Critical Theory* (Amherst: The University of Massachusetts Press, 1982); John Keane, *Public Life and Capitalism* (New York: Cambridge University Press, 1984); Samuel Bowles and Herbert Gintis, *Democracy and Capitalism* (New York: Basic Books, 1986).

4. For a comprehensive and, I think, representative example of the new planning position, see Gar Alperovitz and Jeff Faux, *Rebuilding America* (New York: Pantheon Books, 1984). For a libertarian critique of industrial policy see Don Lavoie, "Two Varieties of Industrial Policy: A Critique," *Cato Journal,* vol. 4 (1984), pp. 457–84.
5. Barry Bluestone and Bennett Harrison, *The Deindustrialization of America* (New York: Basic Books, 1982); Ira C. Magaziner and Robert B. Reich, *Minding America's Business* (New York: Vintage Books, 1983).
6. For a systematic summary of these ideas, see John Gray, *Hayek on Liberty* (New York: Basil Blackwell, 1984).
7. F. A. Hayek, *New Studies* (Chicago: The University of Chicago Press, 1985), pp. 3–9.
8. Marx's most celebrated statement in this respect is: "Men make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past. The tradition of all the dead generations weighs like a nightmare on the brain of the living. And just when they seem engaged in revolutionizing themselves and things, in creating something that has never yet existed, precisely in such periods of revolutionary crisis they anxiously conjure up the spirits of the past. . . ." Karl Marx, *The Eighteenth Brumaire of Louis Bonaparte* (New York: International Publishers, 1963), p. 15.
9. See Friedrich Engels, "Letters on Historical Materialism," in Karl Marx and Friedrich Engels, *Marx and Freidrich Engels: Basic Writings on Politics and Philosophy,* ed. Lewis S. Feuer (Garden City, N.Y.: Anchor Books, 1959), pp. 395–412.
10. Max Weber, *The Protestant Ethic and the Spirit of Capitalism* (New York: Charles Scribner's Sons, 1958).
11. Hayek, *New Studies,* pp. 3–34.
12. F. A. Hayek, *Studies in Philosophy, Politics and Economics* (Chicago: University of Chicago Press, 1967), p. 89.
13. Hayek argues that socialism is a "reactionary" throwback to tribal collectivism. See F. A. Hayek, *Knowledge, Evolution and Society* (London: Adam Smith Institute, 1983), pp. 38–44.
14. F. A. Hayek, "Kinds of Order in Society," Studies in Social Theory No. 5, (Menlo Park, Cal.: Institute for Humane Studies, 1975), pp. 12–16; *Studies in Philosophy, Politics and Economics,* pp. 160–77.
15. Hayek, *Studies,* pp. 162–65; *Law, Legislation and Liberty,* vol. 2 (Chicago: The University of Chicago Press, 1978), pp. 107–32.
16. Hayek, *Knowledge, Evolution and Society,* p. 38.

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17. Gray, *Hayek on Liberty*, pp. 58–59. By property rights I mean "the stability of possessions," "transference by consent," and "performance of promises."
18. Hayek, *Law, Legislation and Liberty*, vol. 2, pp. 1–106.
19. See Gray, *Hayek on Liberty*, pp. 134–40.
20. Max Weber probably has provided the most compelling critique of one-sided rationalism and expressed an acute understanding of the broader concept of unintended consequences. For a brief account of Weber's position on these matters, see Rogers Brubaker, *The Limits to Rationality* (London: George Allen and Unwin, 1984).
21. Hayek, *New Studies*, pp. 18–22.
22. See Max Weber, *Roscher and Knies: The Logical Problems of Historical Economics* (New York: The Free Press, 1975); *The Methodology of the Social Sciences* (New York: The Free Press, 1949); H. H. Bruun, *Science, Values and Politics in Max Weber's Methodology* (Copenhagen: Munksgaard, 1972).

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LETTERS

Lost Illusions

TO THE EDITOR:

Don Lavoie's article ("Political and Economic Illusions of Socialism") was a brilliant contribution to the first issue of *Critical Review*. I could not help noticing, however, a disturbing similarity between his own views and the "political illusion of socialism" he exposed so trenchantly.

Both Lenin and Lavoie seem to share the belief that social and political freedom will take care of themselves once a certain kind of economic order exists. Lenin thought that he could collapse all economic activity into the state. In his remarks on Anthony Polan's *Lenin and the Era of Politics*, Lavoie observed that the radically democratic aspirations of communism were defeated because "the very lack of a separate sphere of action outside politics [in communist societies] prevents democratic processes from working." It seems to me that Lavoie simply reverses the same error: he wants to collapse all politics into the market. Lavoie's belief in "complete laissez faire," as he himself states, points to a "radical critique of politics itself." By this Lavoie means eliminating the state altogether or curbing its power so drastically as to render political intervention in society and economy permanently impossible. Whether Lavoie believes in anarchy or limited government is not really the issue here. The issue is what he thinks "politics" consists of in a laissez-faire society.

Ostensibly, Lavoie answers this question. He says he does *not* want to eliminate the kind of politics Lenin's Russia destroyed, which he defined as an "uncoerced public discourse about our rights." Lavoie's whole case rests on the distinction between two kinds of politics, one composed of the rules and restrictions coercively superimposed over the market process by a territorial monopoly on the use of force, the other a "free public discourse among individuals from independent social institutions about their respective rights and responsibilities." Like most libertarians, he makes an implicit promise that we can keep the good kind of politics and rid ourselves of the bad kind by rolling back

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the state and turning society wholly over to market processes. This argument might be called the "political illusion of libertarianism." On the one hand we argue for the separation of state and society, as if government were something radically different from the normal social process; on the other hand we talk as if a market-oriented society could easily absorb all political functions if only we would let it.

Politics defines the uses and limits of power. In a democratic society, government possesses an orderliness and legitimacy which allows peaceful transfers of power to take place based on the public discourse of which Lavoie speaks. But the discourse is still about who will control the agents of legitimate force. Lavoie skirts this issue by equating democratic politics with "attempts to criticize and persuade each other by voluntary means." Well, yes and no. It is true that a healthy polity relies on debates and dialogues rather than bombs and fistfights to make decisions, but there is no avoiding that the *subject* of the dialogue is *whose decisions should have the force of law.* Indeed, if the independent social institutions and invididuals of which Lavoie speaks were not subject to the same political authority, they would not spend any time talking to each other about their respective rights and responsibilities.

A fundamental ambivalence about the role of government in society runs throughout Lavoie's paper, as indeed it runs throughout libertarian theory. At one point Lavoie argues that the (relative) autonomy of state and society in the West creates a fundamental difference between liberal and totalitarian politics (p. 26). At another, he argues that the economies of a liberal democracy and the Soviet Union are "essentially similar" because of the presence of state intervention; the difference is only one of degree (p. 16). Does this distinction make sense? The economic intervention of Western societies, however "arbitrary" and "blind" it may be, is mediated by the same polycentric pressures and counterbalances as Western politics. Regulatory agencies, for example, are open to the influence of private lobbyists and citizens' groups, constrained by Congress and the courts, and subject to the influence of executive branch appointments. Why does the polycentrism of political activity create a *qualitative* difference in one sphere but not in the other? Half the time Lavoie speaks as if he were a Jeffersonian, and thus presumably a believer in popular democracy, local legislatures, etc. The other half he speaks as if a program of radical laissez faire makes it possible to dispense with such political institutions altogether.

I personally was excited by Lavoie's articulation, in the second half of the review, of a conception of politics as a free public discourse among independent social entities about their mutual rights and re-

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sponsibilities. A concept of politics is precisely what is missing from most libertarian theorizing. Lavoie's recognition of politics conflicts with the extreme economism of the movement, which attempts to reduce all politics to question of ownership, of property rights. Should Nazis be allowed to march in Skokie? The libertarian responds by asking who owns the streets. How should pollution be controlled? The libertarian answers: privatize the resources and make pollution a trespass. And there is no denying that such market processes are far more flexible mechanisms of social adaptation than most theorists have given them credit for. The fact remains, however, that property rights can only be defined and maintained by force of law, that is, by a political agency that in some sense stands above or outside of the market process itself.

It is a serious mistake, a mistake on the order of Lenin's, to suggest that a system of rights can be defined once and for all, and then left to the market with no further need for politics. Society will always have a need to overthrow one set of property relations and replace it with another, to define rights in new resources as they are discovered or invented, and to revise the definitions of existing rights. Just as the price system resolves social uncertainties about resource allocation, so the give and take of *politics*—in Lavoie's second, "good" sense—can bring new information to bear on a society's system of rules.

As yet there is no coherent conception of politics functioning in the libertarian dialogue. There are plenty of purely *philosophical* discussions of the abstract justness of claims to property, but no positing of an institution or social forum through which such questions will actually be worked out in the real world. Libertarians prefer to avoid this subject because it can only be discussed and explored via social agencies with the power to legitimately interfere with or redefine established property rights. At best, they suggest that this process, too, can be privatized and delegated to private courts and arbitrators. But if this happens, "politics" as Lavoie defines it disappears. There is no forum or agency for *public* discourse about rights, there are only private transactions between individual owners.

When they do concede the need for political agency, libertarians tend to fall back upon the established institutions of the West, i.e. the liberal-democratic nation state. Some even go so far as to argue for a reversion to the "original Constitution" or some similar form of "limited government." This tack evades the whole question, because limited government is the original system from which today's gargantuan state hatched. (It also betrays a substantial ignorance of the true extent of state economic activity in the 18th and 19th centuries.) If we want to

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eliminate the "bad" kind of politics, we have to propose and create *new* institutional forms capable of handling the necessary functions of politics without oppressing society or growing out of control. We have to be radical innovators, not nostalgic conservatives.

Lenin's attempt to collapse economy and society into the state failed because it created a one-dimensional society incapable, as Lavoie notes, of critical reflection on its own workings. Isn't it possible that our own radically libertarian goals could be defeated by the real world in a similar way? The lack of a separate sphere of action outside the market economy could prevent the market itself from working. At the very least, it should give us some pause that the logic behind Lenin's and libertarian's antipolitics is so symmetrical.

Milton Mueller
University of Pennsylvania

DON LAVOIE *replies:*

Although I find myself in sympathy with much of Milton Mueller's letter, on some crucial points I believe he has misunderstood my argument, a circumstance for which I am partly to blame. What I like about his letter is its attempt to provoke libertarians into developing a more satisfactory theory of politics in Anthony Polan's sense of "public discourse." When I was invited to review Peter Rutland's book I insisted on reviewing Polan's with it precisely to emphasize the importance of this notion of politics and its relationship to the economic issues Rutland addresses. The focus of my article, as with most of the first issue, was on socialism rather than libertarianism, but I welcome Mueller's suggestion that libertarians need to think more seriously about how these political and economic issues pertain to them. His challenge opens up a fascinating set of questions which, I trust, this journal will continue to address in subsequent issues and which I will not pretend to answer in this letter. But I should at least try to clarify where I think he misunderstands my original argument.

I invited confusion when I seemed to be saying that there is a difference *in kind, politically,* between the American and Soviet systems, whereas there is only a difference *in degree, economically,* between them. Whether one considers the political and economic differences between us and the Soviets differences in kind depends on the "kind" one has in mind, but in any case this contrast between politics and economics was not at all what I was trying to get across. Some Frankfurt School

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Marxists have *underestimated* the political differences that undoubtedly exist between the Western and Soviet systems, for which Polan criticized them; some economists such as Rutland have *overestimated* the economic differences, for which I criticized him. I was trying to steer between these over- and underestimates of our political *and* economic differences with the Soviets, not to contrast political degrees of difference with economic ones.

My position is that "politics as discourse," like the economists' idea of a "free market," is an as yet unattained ideal. Both American and Soviet society are systems of coercive political intervention into a fundamentally unplanned, polycentric economic order. It is impossible to determine where the "politics" of this intervention ends and where the "economics" begins. The degree of intervention differs enough to make it clear to libertarians which system they would rather live under, but neither system approximates the political or economic ideal to which libertarianism aspires.

What is wrong with the politics *and* the economics of contemporary interventionist systems, whether in their Eastern or Western forms, is the same thing: their coerciveness. I take little comfort that Western politics involves a plurality of "polycentric pressures and counterbalances," which, as Mueller points out, are the same as those which underlie economic intervention. It is not polycentrism as such that leads to a beneficial social order. *All* political economies of the modern world are polycentric. What libertarians want is to develop a way of living in society where the polycentricity is of a certain type we call "uncoerced." One might say it is a system where our influence upon one another is persuasive rather than coercive. While libertarians have so far said more about the economic aspects of this voluntaristic image of society, the politics should, it seems to me, also conform to this noncoercive condition.

It is precisely because Polan's notion of politics appears to meet these aspirations that I was so impressed with his book. Mueller, unfortunately, takes the word "public" in Polan's idea of "public discourse" in the sense in which it would be contrasted with the "private sector"; that is, he takes it to mean the state. He concludes that libertarians who want to minimize or eliminate the public sector thereby necessarily eliminate any role for Polan's idea of politics. In a libertarian's image of a free society, says Mueller, "there is no forum or agency for *public* discourse about rights, there are only private transactions between individual owners."

This begs an important question. Why can't a free market in ideas

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be a forum for public political discourse? "Private" transactions can simply mean voluntary, mutually beneficial trades. They can be as "public" as a newspaper or as "private" as a porno magazine. Mueller and I are engaged in what Polan means by "public discourse" right now in the pages of this (private-sector) journal. Mueller agrees that we should rely on dialogue rather than violence but insists that "the *subject* of the dialogue is whose decisions should have the force of law." Well, yes and no. The point of libertarian politics would be in some sense to change the subject. We invariably face difficult decisions about law which involve refinements and redefinitions of what we mean by "coercion," of what the legal limits of our own behavior should be. This is exactly what the Western legal tradition has imperfectly but impressively tried to do. It seems to me that libertarian political discourse should not, however, be about "*who* will control the agents of legitimate force," as if our problems could be solved by mere changes in personnel rather than institutions. Our discourse should not ask the traditional political question of *who* should be in control of the legitimated monopoly over coercive power but should inquire into the more fundamental question of *what* kind of behavior we want to consider socially sanctioned in the first place.

I share Mueller's frustration with those "economistic" libertarians who content themselves with the study of the economics of free markets and somehow believe "that social and political freedom will take care of themselves." Man is not a wealth-maximizing machine but is intrinsically a social and political animal. Indeed, one cannot understand how economic processes work without examining the underlying political, cultural, and psychological conditions from which the economy is inseparable. I do not, however, agree with Mueller's attempt to indict libertarianism as such with this charge. There is a long and honorable classical liberal and libertarian tradition which has forcefully resisted this "economistic" tendency. Not least among the severe critics of this tendency must be included the Austrian economists Ludwig Mises and F. A. Hayek, whose work has systematically extended beyond narrowly economic concerns. In other words, the necessity of understanding the complex legal conditions underlying economic processes is widely appreciated—and economism is widely recognized to be an error—by important branches of contemporary libertarian thought.

Mueller believes he has uncovered a disturbing symmetry between what might be called Lenin's politicism and libertarian economism.

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While Lenin wanted to subordinate all economics to politics, libertarians want to subordinate all politics to economics. While Lenin's ideal, as Polan showed, would leave us with no sphere of society independent of the state, libertarians, Mueller contends, would leave us with no sphere of society independent of the market. The symmetry here is, I think, misleading. Only libertarians afflicted with a particularly bad case of economism mean by "the market" a heartless, cultureless mechanism driven by purely self-interested profit maximizers. Most libertarians take the market to represent a sphere of competitive and cooperative voluntary action among diverse individuals who may be as motivated by public-spirited aspirations as by profits. When libertarians say they want no sphere of society to be independent of the market they are not reducing social diversity to one narrow perspective the way Lenin's politicism does. They are simply insisting that political activity should obey the same voluntaristic standards that market activity does. A Leninist politics necessarily eliminates spheres of society that are independent of the state. A libertarian economy, by contrast, is premised on a rivalrous process of contention among separate spheres, including contention among legal and political ideas.

I agree with Mueller's appeal to libertarians to try to become "radical innovators" with respect to political institutions rather than "nostalgic conservatives" who "fall back upon the established institutions of the West, i.e. the liberal-democratic nation state." Like economism, conservatism is a debilitating tendency from which many (though by no means all) libertarians suffer, and which weakens what is otherwise a most attractive and radical philosophy.

So seductive are these tendencies that even as sharp a critic as Milton Mueller succumbs to them in some respects. By presuming, as does economism, that market activity in the "private" sector is limited to self-interested transactions for narrowly economic motives, he cannot envision how libertarians find room for politics as public discourse. This seems in turn to lead him (like conservatives) to implicitly endorse the state as the only proper forum for politics. Escaping from economism, however, does not mean embracing a realm of politics that somehow stands "above" or "outside of" the voluntary economic process. It means recognizing that "the economy" is not a separable sphere of narrowly self-interested behavior but is an aspect of an integrated political-economic system. And it involves a realization that the economic process already has its own public dimension, its own potentialities for politics as discourse. The libertarian belief that coercive

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politics should be completely eliminated does not necessarily reflect an inability to comprehend or leave room for a noncoercive kind of politics. On the contrary, it reflects the first step toward the development of just that sort of politics Polan is talking about. I would, again, agree with Mueller that there is much that libertarians need to do to develop a satisfactory theory of noncoercive politics. But transcending the traditional conception of statist politics and the misleading connotations of its public sector/private sector rhetoric is a necessary step in the development of such a noncoercive politics.

States of Rest

TO THE EDITOR:

Kurt Schuler's article ["Father Time's Revenge on Economics," Winter 1986–7] examined a weakness in the Gerald O'Driscoll and Mario Rizzo's idea of "pattern equilibrium." As he pointed out, the definition of pattern equilibrium as a condition in which the typical features of people's actions mesh while the unique aspects need not is problematic because there are many borderline cases where it is hard to say whether an action is typical or unique. But I've always thought it's not enough merely to criticize somebody else's proposal. Can he elaborate on his own remarks about the alternative, praxeological-camp definition of equilibrium, which were quite brief and, to my mind, unsatisfactory?

Spiro Aspromourgos
Astoria, N.Y.

KURT SCHULER *replies:*

Let me try to flesh out my statement of the praxeological conception of equilibrium, which was only half a paragraph long.

The practical difference between the subjectivist (O'Driscoll-Rizzo) conception of equilibrium and the praxeological conception is small, but their theoretical difference as alternative approaches to understanding economic action is important. I think O'Driscoll and Rizzo would say, as Ludwig von Mises always did, that there has never been an actual general equilibrium. But is it conceivable that one could occur sometime? O'Driscoll and Rizzo say yes; the praxeologists say no.

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As I see it, their opinions diverge because they are looking at different points along the line of human action. There are three stages to any action: plan, activity, and result. The praxeologists focus on the plan (or, as it is also called, the *ex ante* aspect of the action), while the subjectivists focus on the result (the *ex post* aspect). It is possible, even common, for plan and result to differ, especially when success depends on other people behaving in a specific manner. There has never been an actual general equilibrium because the number of plans is so large, and the conflict among them is so great (though to some extent resolved by the price system), that it is at least extremely unlikely they should fully agree with one another.

Since for the subjectivists equilibrium is a result, though, general equilibrium is theoretically possible, even though extremely unlikely. Here is an example to show how it is possible. Suppose that all markets had equilibrium prices except grain markets, which are suffering from excess supply and therefore below-equilibrium prices. If a freak hailstorm destroys the excess grain, an actual general equilibrium occurs. That, I believe, is what O'Driscoll and Rizzo have in mind by suggesting that general equilibrium is possible by pure chance, though of course in real life many, many more freak events would have to occur at once than in my example.

For the praxeologists, on the other hand, equilibrium is about plans rather than results. Equilibrium is a process rather than an end-state, the voyage rather than the destination. Every action is equilibrating in an *ex ante* sense: it aims to achieve some goal. However, no action is equilibrating in a certain *ex post* sense: the continuance of our lives always requires further changes in plans. Absence of any tendency for plans to change would mean a different kind of existence than mankind has ever experienced. Our lives would be so rigidly determined that they would be more routine than those of many lower animals. However, defining equilibrium as a tendency of plans to change systematically in response to people's changing imaginations, aspirations, and capacities enables one to avoid the determinism for which O'Driscoll and Rizzo criticize Mises. Equilibrium is defined in terms of the universal characteristic that all action by its nature eliminates perceived *ex ante* psychic profit and loss rather than in terms of the generalization that *ex post* profits and losses (usually expressed monetarily) narrow to zero. This view (which, it should be mentioned, is an elaboration of Mises's ideas, not just a repetition of them) is consistent with the "apodictic" character Mises required for the statements of his praxeology: psychic profits and losses always go to zero even if, as O'Driscoll and

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Rizzo point out, monetary ones can leap about instead of steadily narrowing on their way to zero.

My own opinion is that praxeological equilibrium is more internally consistent than subjectivist equilibrium. If general equilibrium is possible, however remotely, there should be some way to find out whether it has been achieved. But there appears to be no way. The seemingly most reliable indicator—unchanging prices over a long period—is no guarantee, for general equilibrium may equally require constantly changing prices (to account for the effects of changing natural conditions such as the weather, for instance). O'Driscoll and Rizzo's concept of pattern equilibrium is an attempt to salvage a long tradition of economic analysis on the subject while taking into account important criticisms, such as Mises's observation that the attainment of general equilibrium would mean the end of the need for a medium of exchange. Their attempted reconciliation is heroic, but, I believe, doomed. The dark forces of time and ignorance that plague all market participants also plague any conception of equilibrium that regards it as an actually attainable condition.

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